

Annual Report
2015-16



Consolidating
competencies to
drive growth

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.

01 Inside this report

About Strides Shasun

- 02 New identity. Natural progression.
- 04 Manufacturing competence with global presence
- 06 Key performance indicators
- 07 Value creation framework
- 08 Message from the Founder
- 10 CFO's communiqué
- 12 Strategy for sustainable growth
- 14 Robust portfolio to serve critical needs
- 16 Consistent value creation
- 17 Quality assurance is a journey
- 18 Strengthening our IT capabilities
- 19 Leading with talent
- 20 Serving community aspirations
- 22 Board of Directors
- 23 Leadership team

24 Statutory Reports

- 24 Management Discussion and Analysis
- 34 Directors' Report
- 77 Corporate Governance Report

101 Financial Statements

- 101 Consolidated Financials
- 162 Standalone Financials
- 228 Equity History of the Company
- 230 A Historical Perspective



Consolidation is the overriding agenda for us at this stage of the journey.

We have created multiple growth opportunities through selective identification of niche verticals and geographies, effective and efficient manufacturing; and development of a below-the-radar portfolio through organic and inorganic initiatives.

When we are progressing on many fronts, consolidation of our competencies is critical to sustain momentum and grow with a long-term perspective. That is exactly what kept us busy in FY 2015-16.

We aligned our global manufacturing capabilities to address evolving demand-supply dynamics.

We capitalised on our global products portfolio and reinforced our distribution network in regulated and emerging markets.

We also focused on API sourcing and integrated formulations.

These initiatives helped us shift gears to enhance the scale and scope of the business.

Here is our blueprint for the future: addressing scarcity in products, domains and markets; identifying opportunities across regulated and emerging markets; and creating stakeholder value responsibly with a long-term perspective.

This annual report underlines our capabilities, commitment and the way forward for Strides Shasun 2.0.

New identity. Natural progression.

When two major Indian pharma players — Strides Arcolab and Shasun Pharmaceuticals — come together, value creation and progression becomes natural. We both value compliance, integrity and trust, and are focused on R&D. We were both born in India, but share a global success story.



Together, we are committed to bring out the best in each of us, and create quality that our customers can rely on. We multiply value and speed through our mutual alliance. Our culture requires continuous learning and improvement to consolidate diverse competencies and drive growth.

Headquartered in Bengaluru, Strides Shasun is a vertically integrated global pharmaceutical company. We have emerged as a valued player in the global pharmaceutical industry with a business footprint across pharmaceuticals (differentiated and branded generics), development and manufacturing of APIs and formulations and as well as biotech.

We focus on developing niche and complex pharmaceutical products across therapeutic segments for regulated and emerging markets. We also have a strong commercial platform to market our pharmaceutical products globally through a dynamic front-end team. Our quality standards, supported by an IT-driven platform, have given us a significant competitive advantage in a rapidly evolving regulatory landscape.

OUR VISION

We want to touch billions of lives through our high-quality pharmaceuticals, while delivering value to all stakeholders – patients, investors and community.

OUR MISSION

Our mission is to bring safe, effective and affordable treatments to global markets, while operating to the highest standards of compliance and economy.



ACCELERATION AND AGUMEN

We have scalable revenue streams with a strong balance sheet; access to product pipeline for the regulated and emerging markets; and supply chain security. Our recent acquisitions will also start accelerating our growth momentum. These force multipliers are collectively facilitating our transition to version 2.0.

	Version 1.0	Version 2.0
Business model	Licensing income Partnership driven B2B model	Fully integrated B2C model 'in-market, for-market' strategy
Strategic outcomes	Opportunity driven	Strategic perspective
Investment focus	Creation of manufacturing assets	R&D assets, backward integration and portfolio maximisation
M&A focus	Future value creation	Focus on EPS accretion
Financial focus	Topline driven	Operating margins, EPS and cash flows
Consistent strategic focus	<ul style="list-style-type: none"> • Strategy continues to revolve around the scarcity theme – across markets, domains and products • Consistent organic operational expertise and inorganic execution • Ability to identify green shoots and continue to deliver stakeholder value 	

BUSINESS DIVISIONS

Pharmaceuticals

- Regulated Markets
- Emerging Markets
- Institutional Business
- Pharmaceutical Services & Active Ingredients

Biotech

EQUITY SHARE INFORMATION

- Share Price (March 31, 2016): ₹ 1,084.05 per share
- Bombay Stock Exchange (BSE): 532531
- National Stock Exchange (NSE): STAR
- Proposed a dividend: ₹ 4 per share (Face value ₹ 10)
- Promoters holding: 31.14%
- Institutional holdings: 46.98%

₹ 31,776 mn

Global turnover as on March 31, 2016

₹ 97,253 mn

Market capitalisation as on March 31, 2016

14

State-of-the-art manufacturing facilities across three continents

85+

Country footprint

5,500+

Global employee base

3

R&D centres with global filing capabilities in India driven by 400+ formulation development and process chemistry scientists

₹ 76,591 mn

Balance sheet size as on March 31, 2016

₹ 28,632 mn

Shareholder's fund as on March 31, 2016

CONSOLIDATION BUILDS MOMENTUM

Manufacturing competence with global presence

Our manufacturing facilities are capable of large-scale commercial production of formulations and APIs for regulated and emerging markets.

The 14 facilities are geographically diversified across Asia, Africa and Europe, minimising the risk of operating in any particular geography. Our brand strategy is to be locally relevant, while at the same time consolidate manufacturing capabilities worldwide to drive growth.

5

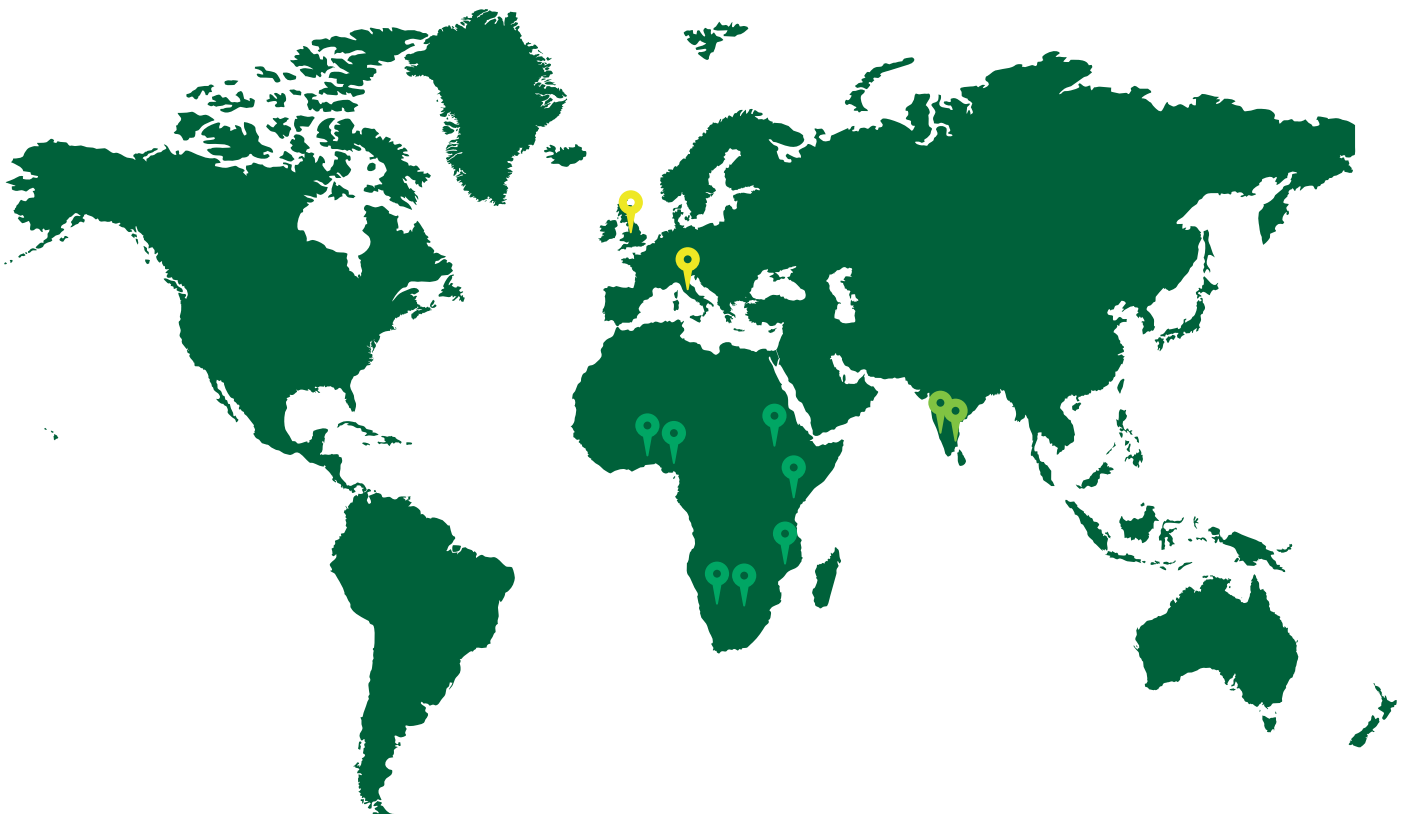
Manufacturing assets in India

7

Manufacturing assets in Africa

2

Manufacturing assets in Europe
(one in Italy and one in the United Kingdom)



Name and location	Dosage form manufactured
India	
Strides Shasun, Bengaluru, Karnataka, India	Soft gel capsules, hard gel capsules, tablets sachets, topicals and liquids Accreditations: US FDA, MHRA, TGA ANVISA and WHO
Strides Shasun, Unit I Puducherry, Tamil Nadu, India	API Accreditations: US FDA, PMDA and EU
Strides Shasun, Unit II Puducherry, Tamil Nadu, India	Tablets and Capsules Accreditations: US FDA, MHRA, ANVISA, Health Canada and WHO
Strides Shasun - Multi product facility Cuddalore, Tamil Nadu, India	API Accreditations: US FDA, PMDA and EU
Strides Emerging Markets Private Limited Bengaluru, Karnataka, India	Tablets and Capsules
Europe	
Beltapharm Milan, Italy	Topicals and Liquids Accreditations: US FDA and AIFA
Shasun Pharma Solutions Limited Dudley, United Kingdom*	API Accreditations: US FDA and MHRA
Africa	
Strides Vital Nigeria, Lagos, Nigeria	Tablets, Capsules and Ointments
SPC CO, Khartoum, Sudan	Tablets, Capsules, Capsules - BLD and Dry Syrups - BLD
Strides Pharma Cameroon, Rue Dubois De Saligny, Cameroon	Tablets, Capsules, Capsules - BLD and dry Syrups - BLD
Strides Pharma Botswana, Tlokweg, Botswana	Tablets and Capsules
Strides Pharma Namibia, Windhock, Namibia	Tablets and Capsules
Strides Pharma, Mozambique	Tablets and Capsules
Universal Corporation, Kenya	Creams, Ointments, ORS, Liquids, Dry Powders, Tablets and Capsules

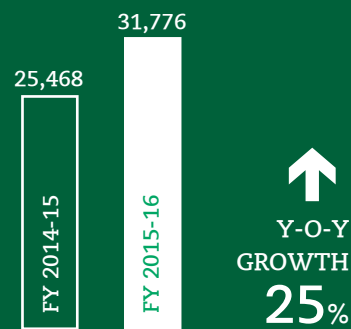
* The Board of Directors have approved divestment of the CRAMS business subject to shareholders approval.

Key performance indicators

(Global Pharma Business)

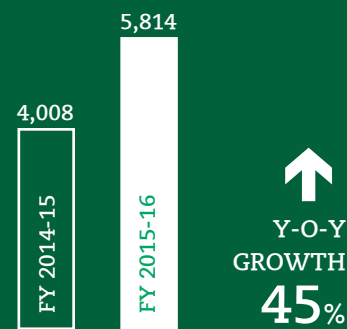
REVENUE

(₹ in Millions)



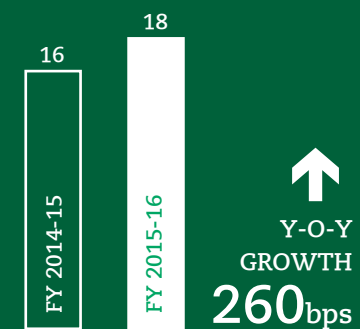
EBIDTA

(₹ in Millions)



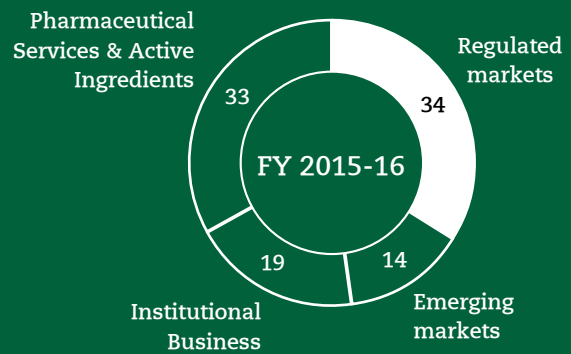
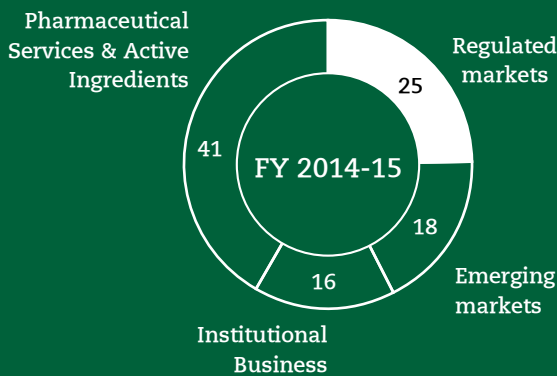
EBIDTA MARGINS

(%)



REVENUE CONTRIBUTION

(%)



Value creation framework

OUR OBJECTIVE

- Create leadership positions in key markets through a front-end presence
- Create a differentiated R&D structure, leading to filing momentum and serving global markets
- Leverage fully integrated and geographically diverse businesses across regulated markets, emerging markets, institutional business and OTC
- Ensure compliant manufacturing facilities, supporting risk minimised model and catering to local market preferences through local presence



GROWTH PILLARS

US and EU Generics

- Creating a portfolio of limited competition products with own front-end spanning the entire value chain

Australia Generics

- Re-entry into a familiar market - well positioned to capitalise on scarcity value of generics platform in the Australian pharma market

Emerging Markets Branded Generics

- Growing presence in Africa and creating a branded generic platform in one of the most populous and under-served pharma markets
- Increasing footprint in India, Russia and South East Asia

Institutional

- Leverage vertical integration benefits to increase presence
- Stable and predictable cash flow business



GROWTH ENABLERS

- Supply chain security via in-house API development capabilities and a de-risked manufacturing footprint
- Research and development platform to increase filing momentum in key regulated markets
- Spearheaded by an experienced management team with proven track record of delivering shareholder value

Message from the Founder



Let me take the communication further by focusing on how we have consolidated capabilities to build scale and expand our scope, thereby putting in place strong growth pivots for the journey of Strides Shasun 2.0.

Dear Friends,

In my last communication to you, I had spoken at length on how we had invested in a unique force multiplier, which continues to position us as one of the significant value creators in the industry. Let me take the communication further by focusing on how we have consolidated capabilities to build scale and expand our scope,

thereby putting in place strong growth pivots for the journey of Strides Shasun 2.0.

STRATEGIC PROGRESSION

The global opportunity landscape continues to encourage optimism; and I believe there is no better time to aspire for the next altitude. Our strategy revolves around the scarcity theme in terms of markets, domains and products. For decades, we have not just focused on organic growth, but actively pursued inorganic opportunities. FY 2015-16 was a landmark year in terms of inorganic growth, as we undertook nine M&A transactions. Our strategic merger with Shasun provided us the API supply chain security for the formulations business; and made us a fully integrated pharmaceutical player.

We re-entered Australia in a leadership position through the acquisition of Arrow Pharmaceuticals. Our acquisitions of Generic Partners, an R&D outfit and long-term supply agreement with Pharmacy Alliance (one of the largest independent pharmacy banners) fast-tracks our growth trajectory in Australia. Our acquisitions in India, including Solus and Solus Care portfolio from Sun Pharmaceuticals, brands portfolio from Johnson & Johnson and Probiotic portfolio from Medispan have strengthened our emerging market portfolio.

We also announced the acquisition of Universal Corporation in East Africa, which further strengthens our footprint in the continent; and also provides access to one of the only two WHO approved manufacturing facility in Sub-Saharan Africa. During the course of the year, we acquired OTC brands from Moberg. We believe the OTC business has now reached a critical size; and is showing promise to become an important part of the overall growth strategy.

YEAR UNDER REVIEW

In FY 2015-16, we achieved a 25% turnover growth to ₹ 31,776 million (₹ 25,468 million in 2014-15). Our EBITDA grew by 43% to ₹ 5,617 million against ₹ 3,928 million in 2014-15. Our net profit was at ₹ 2,089 million, with earnings per share at ₹ 25.30 for the year.

We are making steady progress across each of our businesses; and are moving ahead of our execution plan under version 2.0. We witnessed strong business momentum across developed markets and institutional business, but our emerging market operations saw a marginal decline.

GLOBAL PHARMACEUTICAL DIVISION

We delivered robust performance in regulated markets, driven by strong growth in North America and Australia. In North America, our front-end business was facilitated by a healthy market share for key products. Moreover, new product launches garnered sustainable market share too. Our product filings gained momentum during FY 2015-16 with 11 ANDA products filings, taking our cumulative filings to 52. Moreover, we received five ANDA product approvals. Arrow Pharmaceuticals business in Australia consolidated operations and continued to deliver steady performance.

On the other hand, emerging markets saw a challenging operating environment. We undertook multiple corporate initiatives to elevate the scale and scope of the business; and given the innate potential of these markets, our investments are expected to see attractive growth, going forward.

A volatile currency regime impacted our demand for generic products in few African countries. However, we have undertaken prudent strategies to counter headwinds; and we will continue

to stay invested in the immense potential of African markets.

In India, we have a strong product portfolio in the fast growing therapeutic segments, along with a well-integrated field force, which helps grow our pan-India presence.

We invested in new markets of Russia, CIS and South East Asia, one of the fastest growing pharmaceuticals markets globally, for building a strong branded generics platform.

Our institutional business delivered its best annual performance, driven by enhanced offtake in antiretrovirals segment and higher volumes of anti-malarials. We continue to work closely with global innovator companies for voluntary licensing opportunities. Moreover, with our acquisition of Kenya-based Universal Corporation Ltd. (Universal) we are poised to supply locally manufactured products to our institutional customers.

Our API division has delivered a steady performance during the year. We have integrated our R&D capabilities for API and formulations; and have a consistent filing roadmap for formulations. We are gradually shifting focus towards backward integration for our formulations.

BIOTECH

During FY 2015-16, in our biotech business there was momentum in the R&D Pipeline. Moreover, we commenced the construction initiatives of bio-pharmaceutical facility at Doddaballapur, Bengaluru. We have also stated our intent to spin off the Biotech business into a separate entity.

RESEARCH & DEVELOPMENT

We continue to focus on limited competition products, as well as growing our presence in domains where we are currently present,

including soft gel capsules, hard gel capsules, topicals, ointments, creams and tablets. During FY 2015-16, our R&D spend increased by 28% over previous year. Our R&D spend is around 7% of regulated market sales.

AUGMENTING LEADERSHIP

We strengthened the leadership team to manage the growing scale and scope of operations across the world. We brought on board Shashank Sinha as the Chief Executive Officer (CEO), Jitesh Devendra, President (North America and Europe) and Leon Moore as CEO, Australia. We also re-designated Sinhue Noronha as CEO, Emerging Markets.

WAY FORWARD

An agile, flexible business model such as ours needs to constantly recalibrate its strategies in line with evolving realities.

We will continue to focus on a fully integrated business model to deliver significant shareholder value. Overall, consolidation of our capabilities across products, markets and domains will pave the way for a whole new era of growth and opportunity for Strides Shasun. I welcome you all to be a part of the exciting journey.

Warm Regards,
Arun

CFO's communiqué



I'm glad to inform you that we witnessed significant acceleration in the multiplier momentum in FY 2015-16, enabled through growth initiatives and superior execution. The Company reported a growth of ~3x in profitability over the last three years.

Dear Shareholders,

Last year's annual report revolved around the theme of 'Investing in multiplier effect'. I'm glad to inform you that we witnessed significant acceleration in the multiplier momentum in FY 2015-16, enabled through growth initiatives and superior execution. The Company reported a growth of ~3x in profitability over the last three years. We now have 14 facilities and 5,500+ employees across the organisation which also reflect a threefold increase. We have laid a strong foundation to achieve scale, size and scope (3S) for a solid future growth.

I believe that 'difficult roads often lead to beautiful destinations' and our superior financial performance in FY 2015-16 has reaffirmed this belief. The external environment was challenging with weak emerging market economies, credit squeeze, volatility in multiple currencies, natural calamities and regulatory challenges. The internal challenges included multiple M&A transactions, integration, evolving 'One Governance and compliance' and driving operational results across the Group. This is in addition to the raising of funds through debt and equity within two quarters in a challenging and fast changing world. Despite the challenges we delivered across all metrics and met the guidance.

We have also seen remarkable accomplishments across other key focus areas discussed in last year's annual report. These would

continue to be critical for value creation and delivery of consistent growth across markets in the years to come.

FINANCIAL HIGHLIGHTS

- Revenues at ₹ 31,776 Mn, growth of ~3x vs. FY 2013-14
- EBITDA at ₹ 5,814 Mn, EBITDA Margins at 18%, growth of ~3x vs. FY 2013-14
- Achieved midpoint of EBITDA guidance for H2 FY 2015-16
- Achieved EBITDA margins at 20% within the second quarter of combined performance (Q4 FY 2015-16)
- Achieved the highest ever EBITDA driven by operational efficiencies in institutional and regulated markets business
- EBITDA to Adjusted PAT conversion stood at 47%
- Consolidated Net Debt / Equity Ratio stood at 0.75 as at the end of FY 2015-16 against 0.16 in FY 2014-15
- Financial audit coverage was at 99% of revenue

INVESTOR RELATIONS

The Company executed the largest ever QIP in the Pharma industry in FY 2015-16 through which we raised ~₹ 1,103 Crore. The QIP witnessed significant response from several new as well as marquee long-term investors particularly in the FII space. It has been a year of intense investor engagement wherein we met more than 200 investors and laid emphasis on transparent and credible communication.

GROWTH INITIATIVES

Our organic growth continues to be strong despite a difficult environment. We also pursued selective acquisition strategies focusing on EPS accretion. We completed seven transactions during the year and two are expected to be completed by Q1 FY 2016-17. For all the completed transactions, we successfully integrated operations from Day 1. Arrow delivered a steady performance this year as superior diligence enabled us to know the business and integrate it well. We also set-up a global framework for governance and review of all the acquired transactions.

COMPLIANCE

From a compliance standpoint, we seamlessly integrated Shasun and Arrow with Strides by ensuring Day 1 readiness. We successfully implemented IFC (Internal Financial Controls) for the merged entity and received a clean report on completion. We ensured speedy closure of several corporate actions through superior interaction with regulatory agencies.

FINANCIAL DISCIPLINE

From a risk management perspective, our superior hedging strategy and timely execution enabled us to manage multiple currencies. We obtained Short term debt rating of 'A1+' (which is highest in its category) and Long term debt rating of 'A+' with stable outlook by ICRA. Our Long Term Issuer Rating by India Ratings was at 'A' with a stable outlook.

TREASURY INVESTMENT

Our investment in Onco Biologics is yielding significant value. Their Initial Public Offering saw notable participation by marquee biotech investors and got successfully listed on the NASDAQ in May 2016.

KEY PRIORITIES FOR FY 2016-17

We will look at harnessing the recent acquisitions through synergy maximisation, R&D excellence and cross functional capabilities. Also, successful completion and review of all organic and inorganic strategies would be key to strengthening the base for future growth. We will also strive towards managing leverage and effective tax planning. We believe that optimal utilisation of capital, bottomline focus and cash flow maximisation would be crucial for sustainable performance across all businesses within the Group. We are also committed towards IT initiatives and transformation programmes which would be key drivers of productivity improvements across the organisation.

Adapting to new legislations and regulations would be important for widening our business horizons in key geographies. Dealing with evolving regulatory requirements will continue to raise the bar for a compliance culture across the organisation. Proactive engagement with key stakeholders and strengthening governance frameworks will continue to play profound roles in boosting confidence and ensuring steady returns to shareholders.

I would like to express my gratitude to all stakeholders for your trust and confidence in us. With your encouragement and support, we look forward to another thrilling year in store.

Warm Regards,
Badree

CONSOLIDATION BUILDS MOMENTUM

Strategy for sustainable growth

We executed a focused M&A strategy to gain access to new markets, technologies and domain knowhow.

STRIDES SHASUN MERGER

During FY 2015-16, we successfully completed the merger with Shasun Pharmaceuticals Limited (Shasun). Our collective experience and expertise will be instrumental in creating stakeholder value for the long-term.

Growing synergies

- We are offering a comprehensive basket of Finished Dosage Formulations in niche and complex domains with a pipeline of integrated products; and accelerating product filings for regulated markets (Europe and USA) and the emerging world
- We are leveraging the API capabilities of Shasun for an integrated FDF development programme, securing our supply chain; also deriving synergies through backward API integration for regulated markets and institutional businesses
- We are driving product rationalisation to better leverage the combined portfolio
- We are strengthening sustainable revenue streams by focusing on our collective customer base

RE-ENTERED AUSTRALIA

We re-entered the Australian market with the acquisition of generics portfolio from Aspen Pharmacare Holdings Limited (Aspen) in FY 2015-16; and have since consolidated Australian

operations under our subsidiary Arrow Pharmaceuticals Limited (Arrow). Today, we are among the top 3 generic pharmaceutical suppliers in Australia; and among the top 10 pharmaceutical companies in the Australian pharma market.

Growing steadily

- Enhancing the Australian market, which offers 5,240 pharmacies to service 23 million people
- Offering the 2nd largest range of generic drugs offered in Australia with 134 molecules and a pipeline of 51 new generic molecules
- Strengthening relationship with generic drug partner Sigma Company (the largest pharmacy wholesaler by market share in Australia)

STRENGTHENING OUR AUSTRALIAN PRESENCE

We announced acquisition of strategic stake in Generic Partners Holdings Co. Pty Ltd. (Generic Partners), an Australian pharmaceutical supply and research company. This will enhance our product portfolio providing us access to products going off-patent in the near future. Generic Partners provides Arrow and its other generic customers a strong supply platform that will support sustainable pricing in Australia; and deliver an extensive new product development pipeline.

Strategic rationale

- The acquisition will provide immediate access to 47 commercialised marketing authorisations, making Arrow the second largest generic pharmaceutical products company in Australia with a portfolio of over 180 molecules
- Provide access to 22 registrations pending approval with TGA and a strong pipeline of 32 molecules, including host of drugs going off-patent in future
- Generic Partners is one of Australia's leading B2B suppliers of generic pharmaceuticals; the business will continue to work independently with all its existing supply partners and customers using additional resources of Strides Shasun to build a stronger supply channel for the Australian market
- Our Australian subsidiary, has entered into a 10-year supply partnership and trading platform with Pharmacy Alliance, Australia's longest standing co-operative buying groups. The agreement guarantees Pharmacy Alliance members a market-leading suite of products and services across both the Arrow Generic range and the renowned Chemists' Own range of over-the-counter medicinal generics

ESTABLISHED A NEW GLOBAL OTC DIVISION

We have entered into an agreement with Moberg Pharma, Sweden and its affiliates and successfully acquired Jointflex, Fergon and Vanquish brands. This enabled us to build a global OTC franchise.

Moberg brands that are currently marketed in USA and the Middle East will further strengthen the OTC business.

Strategic rationale

- This acquisition complements our OTC portfolio of Chemists' Own umbrella brand in Australia and Nuprin in the US
- We have filed ANDAs that will further enhance the OTC portfolio in the US
- OTC business has now reached a critical size; and is showing promise to become an important part of the overall growth strategy

IN AFRICA, FOR AFRICA

We announced acquisition of controlling stake in Universal Corporation Limited (Universal), Kenya. The acquisition will help strengthen our business prospects in East Africa and offer additional capacity to support future growth in the continent. This will also create a platform for growth in East Africa.

Strategic rationale

- Strengthen foothold in key East African markets; and will complement its current capacities of six strategically located plants across major geographies in Sub-Saharan Africa
- Leverage entrenched front-end business and supply contracts with key donor agencies in the East African territory
- Universal's facility is one of the only two WHO Pre-Qualified sites in Sub-Saharan Africa, other than South Africa. We will be able to transfer several strategic institutional products to this facility as donor; and government procurement agencies have a preference for 'Made in Africa' products
- Provide us access to brands including Desval - ER, Levroxa, Serlift, Otogesic, Ethnorub, Stugile, Lactogut, Lactovit and Solus & Solus Care
- Strengthened geographic reach to emerge as a pan-India player

ACQUISITIONS TO STRENGTHEN INDIAN MARKET PRESENCE

- We acquired the CNS divisions of erstwhile Ranbaxy from Sun Pharma in India
- We acquired brands portfolio from Johnson & Johnson in India
- We acquired majority stake in domestic branded business of Medispan in India

Strategic rationale

- Created a portfolio of niche brands in fast growth therapeutics segments of CNS, probiotics, pain management and women wellness

CONSOLIDATION BUILDS MOMENTUM

Robust portfolio to serve critical needs

We have been successful in creating a differentiated portfolio across varied domains. We are driving growth by leveraging our combined global products portfolio and strengthening our distribution network in regulated and emerging markets.

We have three dedicated R&D facilities in India; supported by around 400 scientists across formulation development and process chemistry, and a strong track record of filing.

PRODUCT DEVELOPMENT FOCUS

We put emphasis on limited competition legacy products, as well as growing our presence in domains where we are currently present, including soft gel capsules, hard gel capsules, topicals, ointments, creams and tablets.

REGULATED MARKET STRATEGY

For our regulated markets, we have a strong product portfolio in North America, the UK and Australia.

We have 26 products approved for commercialisation in the United States. Some of the key products are vancomycin, methoxsalen, benzonatate, ergocalciferol, calcitriol and carisoprodol. In the United States, we have filed ANDAs in the area of niche and differentiated products.

In the United Kingdom, we have a diversified product portfolio in generics and OTC segments, cutting across wide-ranging therapies.

In Australia, we have a strong portfolio, comprising 134 products and we also have access to Chemists' Own OTC brands, which includes a portfolio of cough, cold and flu, analgesics, sun care, smoking cessation, digestive health, anti-infective and allergy medicines.

Way forward

We aim to leverage our product portfolio and pipeline for North America and Australia for cross-selling opportunities; and adapt it to other regulated markets in Europe including the United Kingdom.

In the United States, we aim to become a niche player with portfolio of small off-patent products. We believe our strategy to focus on these limited competition products will provide better growth opportunities. We aim to reach a target of approximately 20-25 ANDA filings per year from FY 2017 onwards; it will drive growth and help us gain market share in the limited competition products.

In Australia, we aim to add new products to our current portfolio, including in-licensing products with focus on products, which will be going off-patents in the next few years.

In the OTC segment, we intend to capitalise on Nuprine brand and the recently acquired Chemists' Own brand, which includes a portfolio of cough, cold and flu, analgesics, sun care, smoking cessation, digestive health, anti-infective and allergy medicines, globally. We also acquired three brands of Sweden-based Moberg Pharma augmenting our strategy to build a global OTC franchise.

We plan to expand coverage of our APIs to regulated markets with high entry barriers, such as Japan and South Korea, by producing difficult-to-manufacture products for marquee customers.

EMERGING MARKET STRATEGY

For our emerging markets, we are building a robust branded generics portfolio for the treatment of chronic therapies, including CNS, women's health, cardiovascular, probiotics, diabetes and dermatology.

In India, we have established brands like Renerve and Raricap, in vitamin supplements and oral haematinics segments, respectively.

In Africa, we have 1,000+ product registrations with strong front-end presence to efficiently and effectively cater to local market preferences and drive sales growth and margins.

Way forward

We will expand our portfolio, with a pipeline of approximately 300 product registrations in Africa. We will strengthen our front-end presence by adding more medical representatives in Africa.

In India, we intend to develop a pan-India domestic formulations business by building a portfolio of established brands in high-growth, niche therapeutic categories.

We intend to continue acquiring more brands in the Indian market to fill in gaps in our existing product offerings and coverage.

BIOTECH BUSINESS STRATEGY

Our biotech business currently focuses on the development of a portfolio of own and partnered products in 'biosimilars' for both regulated and emerging markets.

Advantage of vertical integration

Today, we have access to in-house API capabilities and we plan to leverage API capabilities by filing additional ANDAs to develop our integrated portfolio.

We intend to achieve backward integration into APIs for a significant part of our generic formulations business. Such a strategy will improve our ability to maintain quality control, mitigate demand-supply fluctuations (that affect generics markets) and provide for consistency and reliability of supply in an increasingly regulated global environment.

Additionally, in our institutional business, we will vertically integrate the manufacture of anti-retroviral and anti-malarial products. These products we believe will improve our ability to bid for institutional contracts and increase the scale of our operations.



PRODUCT FILINGS AND APPROVALS

FILINGS

52	115	18	134
ANDA In the United States	In Europe	For the PEPFAR*	In Australia#

APPROVALS

26	100	17	134
-----------	------------	-----------	------------

* President's Emergency Plan for AIDS Relief
Acquired portfolio

R&D EXPENDITURE

2014-15

₹ 592 mn

2015-16

₹ 757 mn

CONSOLIDATION BUILDS MOMENTUM

Consistent value creation

Our strong fiscal position, proactive growth strategies and efficient cost structure enable us to become a sustainable value creator for all stakeholders.

As we move forward in a competitive scenario, we have four avowed objectives:

- Grow sustainably by embracing organic and inorganic opportunities
- Evolve a risk-focused business model with a strong governance
- Meet and exceed regulatory and customer expectations
- Generate greater value for shareholders

We are consistently enhancing the size and scope of our business operations. The objective is to expand the product basket, reach out to more geographies, and achieve higher operational efficiencies to emerge as one of the world's most trusted and respected pharmaceutical company.

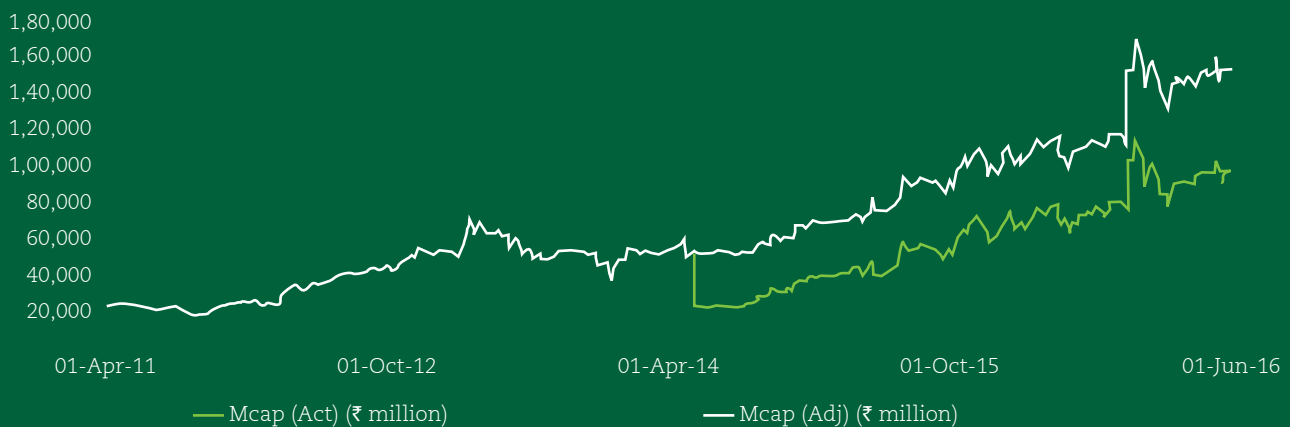
DELIVERING ON SHAREHOLDER EXPECTATIONS

We have always focused on strengthening our balance sheet, optimising capital structure and consistent dividend payout.

STRENGTHENING MARKET CAPITALISATION

The market capitalisation grew at a CAGR of 48.5% (adjusted for the special dividends) over a five year period, leading to March 31, 2016. This return is higher than the return an investor would have received from any other secured investment. A ₹ 100 crores invested in our Company in April 2011 is worth around ₹ 722 crores in March 2016, around 6.2x total return at an Internal Rate of Return (IRR) of 46.8%. It includes shares worth ₹ 468 crores and gross dividends of ₹ 258 crores.

MARKET CAPITALISATION GROWTH



Quality assurance is a journey



In the dynamic pharmaceutical industry, quality assurance cannot be static. Therefore, we focus on incremental innovations to strengthen our quality benchmarks. This is made possible by a high degree of teamwork and commitment by our quality assurance professionals.

Our quality assurance initiatives comprise the following:

- We have initiated various projects and have automated the processes to strengthen our quality compliance. This includes laboratory and manufacturing automation among other key initiatives
- We have deployed global standards in skill and knowledge development for our employees through a structured and competency based learning management system. Our training modules are recognised by the industry and regulators alike
- We have harmonised and implemented processes related to Quality Management System across various locations within the organisation for uniformity towards quality governance
- We are building robust quality metric for proactive and insightful understanding of data so as to enable improvements in our systems for sustainable compliance
- We have expanded our Quality Control capacity in line with enhanced manufacturing capabilities to achieve greater efficiency and continual compliance in our laboratories

Strengthening our IT capabilities



At Strides Shasun, we are steadily enhancing our information technology (IT) interventions across all functions of our operations.

IT investments are not merely for the purpose of achieving efficiencies, but also play a pivotal role in attaining robustness in process compliance, build collective ownership, streamline instruction flow, reduce ambiguity and provide early signals for decision-making. Our decisions to invest are vindicated by the appreciation from regulatory agencies on all such initiatives during periodic inspection.

As a part of our Strides Shasun 2.0 initiatives, we have also taken significant steps towards digitisation of most of the processes with system driven controls and compliance; and transitioning to a paperless environment in the areas of R&D, quality assurance, and manufacturing operations.

R&D

We have implemented the Oracle Agile Product Life Cycle Management for all our R&D operations. The product suite, in addition to aggregation of development data for our dossiers for regulatory filing, helps us track the entire life cycle of development until launch.

In-system analytics provides flexibility to track the status of development across molecules and geographies. In addition, analytics also provide a deep insight into the market potential of the new molecule with real-time interface to external data sources.

QUALITY ASSURANCE

Significant steps have been taken to digitise processes of laboratory analysis with the implementation of Perkin Elmer ILAB solution. We have now successfully migrated to the use of electronic worksheets for laboratory analysis

of input material, as well as finished products, including data acquisition from instruments, thereby becoming truly paperless. The implementation has also enabled us to improve qualitative efficiencies in our laboratory processes and analyst performance.

MANUFACTURING OPERATIONS

We implemented the electronic batch manufacturing record, the pinnacle of digitisation in pharma manufacturing. We conceptualised and configured the entire manufacturing execution system in association with Emerson Process Management through their Syncade application. This application interfaces with other IT systems, spanning quality, laboratory, training and attendance, and R&D systems; as well as manufacturing equipment for data acquisition to ensure complete governance and diligence in operations.

Leading with talent



As an organisation focused on a high growth trajectory by consolidating capabilities, we continue to invest in leadership development and talent management. We periodically renew our HR strategies to enhance productivity and better engage with a diverse workforce across geographies.

SKILL DEVELOPMENT

At Strides Shasun, we believe, skill development is crucial for sustainable growth. We organise well designed and need based programmes to enhance skills and competencies of our team members. Besides, we publish a monthly training calendar to help employees acquire new skills, while upgrading the existing ones. Bespoke training programmes are also conducted at regular intervals. We have also introduced organisation development and effectiveness models to improve our business efficiencies.

Our managerial and leadership development programmes help enhance leadership capabilities across levels. We organise best-in-class training programmes in association with reputed management institutions. We have introduced programmes on

general management, technical competencies, brand and product management to help managers translate their potential into measurable business outcomes.

TALENT MANAGEMENT

Performance and talent management practices have been tailored in line with our business objectives; and are now institutionalised in the organisation. We have recently introduced 'Fit for Purpose Talent Strategy', which aims at providing targeted development opportunities to our key employees. This strategy will help us grow internal talent and focus on specific development of our critical talent.

SELF-MANAGED TEAMS (SMT)

SEMP (our emerging markets manufacturing facility) has implemented the Self-Managed Teams (SMT) Philosophy to build a high-performing culture, thereby creating empowered teams.

Serving community aspirations

At Strides Shasun, community development programmes are integral to our sustainability strategy. Our CSR initiatives help address socio-economic challenges in the realms of health, education, employability and disaster management.

HEALTH **Arogyadhama**

Arogyadhama, a modern state-of-the-art Primary Health Centre (PHC), has catered to about 6,000+ patients during the year. FY2015-16 witnessed the strengthening of curative services, along with the commencement of preventive and promotive services at Arogyadhama. Preventive health check-up camps were organised for students of government schools surrounding Suragajakkanahalli and Haragadde panchayats.

We promoted a dengue awareness programme, benefiting around 500 students from government schools. Moreover, government schools under Suragajakkanahalli panchayat were provided with first-aid kits.

Dispensaries

Puducherry: We opened a dispensary at Puducherry, with facilities like x-ray and lab investigations, among others. It caters to an average of 400 people every month. During the year, special health camps were also organised to take care of the ophthalmic, dental and dermatology-related needs of people.

Cuddalore: The dispensary at Cuddalore is functioning in collaboration with Mahatma Gandhi Medical College Hospital. Special health camps were arranged as part of flood relief initiatives.

Employee Volunteering

Blood donation camp: Around 165 units of blood were donated in the voluntary blood donation camps, conducted in three locations (Corporate, Stelis and KRSG).

Joy of Giving: We donated a substantial quantity of usable clothes to 'GOONJ', a non-profit organisation. This organisation has distributed those clothes to the society's disadvantaged sections.

Donation of equipment

We decided to donate 'Blood Component Separation Equipment' to the Indira Gandhi Medical College & Research Institute, Puducherry to cater to blood component needs of thousands of people undergoing treatment.

Education & training

LeAPS - Parivarthan: Leadership Adoption Programme for Schools (LeAPS) is designed in partnership with People Pro to help and motivate government school students in visualising and



achieving their goals. The students are taught about discipline, confidence, self-belief, social etiquette and creative careers.

Life skills education programme: Life skills education recognises the need to address the psychological and social needs of young people. It is a process to improve people's abilities to effectively deal with the demands and challenges of everyday life. We provided life skills training to ninth standard students of government schools in Kalapet.

Infrastructure Improvement

Schools: Continuing our focus on education, health and hygiene, we constructed washroom block at the government school in Suragajakkanahalli. We built two toilets each for boys and girls, along with hand wash facilities and two toilets for staff members, along with wash basin.

Anganwadi: We renovated an Anganwadi at Suragajakkanahalli and after completion of this project it was handed over to the Child Development Project officer on March 28, 2016. An Anganwadi facility is being built for the children of Adoor and it is expected to be completed soon.

Community welfare

RO drinking water units: Two RO drinking water units were constructed to provide safe drinking water to the people of Suragajakkanahalli and Adoor. The RO water treatment plant (2,000 litres per hour capacity) will cater to about 3,000 people.

Waste management: We took up a waste management survey at Gowrenahalli, a village in Karnataka, where people are involved in the collection and segregation of external waste. Swachha, an NGO, has been engaged to assess, analyse and suggest the plan for proper segregation and disposal of waste.

Sponsorships and support

At Strides Shasun, we extend sponsorship and support to external organisations. Strides Foundation has contributed significantly to the Centre for Social Initiative and Management (CSIM) to support, handhold and mentor students with innovative ideas. This sponsorship will also help them in introducing a certificate programme in Social Enterprise Management.

Relief activities: We are committed to work for sustainable community development and disaster relief. The unprecedented rains in Tamil Nadu and Puducherry resulted in loss of livelihood and extensive damage to crop and property. We helped the people in need through the following initiatives:

Puducherry: We distributed rice bags to 5,400 families in Kalapet, Chinnakalpet, Pillaichavadi and Kanagachettikulam villages.

Cuddalore: We distributed cooked food, biscuits and water to the severely affected villages. Besides, rice bags were distributed in the surrounding five villages.

Chennai: We also distributed blankets and rice bags in Melakkotaiyur village. Over 800 blankets were distributed in Velacherry area.

Livelihood

In Puducherry, we supported fishermen to repair their damaged fishing nets.

Board of Directors



Sitting - left to right: P.M. Thampi, A.K. Nair and M.R. Umarji

Standing - left to right: Abhaya Kumar, Sangita Reddy, S. Sridhar, Arun Kumar, Deepak Vaidya and Bharat D. Shah

Leadership team



Arun Kumar

Founder and Managing Director
Member of Group Leadership Council



Abhaya Kumar

Executive Director
Member of Group Leadership Council



Shashank Sinha

Chief Executive Officer
Member of Group Leadership Council



Badree Komandur

Group Chief Financial Officer & Company Secretary
Member of Group Leadership Council



Sebi Chacko

Chief Human Resources Officer
Member of Group Leadership Council



Dr. Sunil Nadkarni

Chief Technical Services Officer
Member of Group Leadership Council



Joe Thomas

Chief Executive Officer - Stelis Biopharma



Mohan Kumar

Chief Executive Officer - Global Headquarters, Singapore



Sinhue Noronha

Chief Executive Officer - Emerging Markets



Jitesh Devendra

President - Regulated Markets



Leon Moore

Chief Executive Officer - Australia

Management Discussion and Analysis

GLOBAL ECONOMY

The process of recovery for the global economy is still continuing, but the pace of recovery is rather uneven across geographies and vulnerable to headwinds. The developing economies still account for 70% of global growth, but the performance of these economies has been lower than expectations. On the other hand, the recovery of advanced economies continued although in a subdued manner.

Three key trajectories continue to influence global outlook: first, the gradual slowdown and rebalancing of economic activity in China; second, lower commodity prices; and a gradual tightening in the US monetary policy vis-à-vis that of other major advanced economies.

Financial conditions are worrisome outside advanced economies in the emerging world. Enhanced net capital

outflows from emerging markets could lead to further depreciation of their currencies, eventually triggering adverse balance sheet effects.

Growth in China and India has been broadly in line with projections, but trade growth has slowed down noticeably. The trade slowdown is related to the decline in investment growth across emerging market economies. It reflects rebalancing in China, sharp scaling down of investments in commodity exports, especially for countries facing difficult macro economic conditions.

Macroeconomic indicators suggest that economic activity in Sub-Saharan Africa and the Middle East also fell short of expectations. This is a result of drop in oil prices, decline in other commodity prices, and geopolitical tensions in a few countries.

Global growth trend

	2015	2016 (P)	2017 (P)
World Output	3.1	3.2	3.5
Advanced Economies	1.9	1.9	2.0
United States	2.4	2.4	2.5
Euro Area	1.6	1.5	1.6
Japan	0.5	0.5	-0.1
United Kingdom	2.2	1.9	2.2
Other Advanced Economies *	2.0	2.1	2.4
Emerging and Developing Economies	4.0	4.1	4.6
China	6.9	6.5	6.2
Sub-Saharan Africa	3.4	3.0	4.0

P: Projections, *(Excludes the G7 - Canada, France, Germany, Italy, Japan, United Kingdom, United States and Euro Area countries)

(Source: International Monetary Fund, 2016)

INDIAN ECONOMY

India's GDP grew by 7.6% in 2015-16, making it one of the fastest growing major economies in the world. The positive policy initiatives of the government, low interest rates, declining fiscal deficit and moderating inflation have helped the Indian economy stay on a sustainable growth path.

The government's continuing efforts to ease doing business in India is attracting foreign direct investments into the country. FDI into the country has increased by 37% after the launch of 'Make in India' programme in the 17-month period from October 2014 to February 2016 (Source: Government of India Report).

	2013-14	2014-15	2015-16
Indian GDP growth			
Sectors			
GDP at market prices	6.9	7.4	7.6

(Source: Advance CSO Estimates)

GLOBAL PHARMACEUTICAL INDUSTRY

The global pharmaceutical industry is constantly evolving. However, certain key trajectories can be easily identified. With population growth, changes in demographic landscape, rise in economic wellbeing, health awareness, expanded health insurance market, enhanced access to medicine in the world's remote corners, the global spending on medicine is escalating. It is likely to touch US\$ 1.4 trillion by 2020. In 2020, a large section of the global population will have better access to medicine than ever before.

Developed markets are expected to see enhanced spending, with more than half of it meant for original brands and focused on non-communicable diseases. Specialty therapies will gain more importance in developed markets vis-à-vis pharmerging markets. Developed markets will have more wallet share for medicine spending owing to both higher prices per unit

and the mix of newer medicines that bring meaningful clinical benefits to patients.

The volume of medicines used across the world is likely to exceed 4 trillion doses by 2020. Pharmerging markets consume the largest number of pharmaceutical

products, with two-thirds of the global medicine volumes. The big picture that is emerging is this: developed markets will continue to focus more on original branded and specialty medicines per capita, while pharmerging markets will use more branded generics, generics and over the counter medicines.

Region spending

Regions	US\$ billion			
	2015	2010-2015 CAGR	2020	2016-2020 CAGR
Developed	684.3	4.80%	870-900	3-6%
Pharmerging	249.2	11.90%	345-375	7-10%
Rest of World	135.2	5.20%	150-180	1-4%
Global	1,068.80	6.20%	1,400-1,430	4-7%

Source: IMS Health, Market Prognosis, September 2015

The key drivers of US\$ 349 billion in growth over the next five years will be greater access to medicines in pharmerging countries, enhanced use of more expensive branded medicines in developed markets; and more use of cheaper alternatives when loss of exclusivity occurs.

KEY PHARMACEUTICAL MARKETS

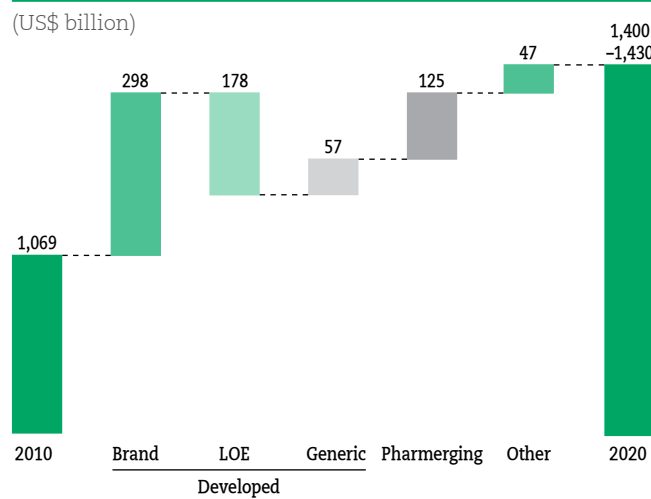
Developed markets

US

The medicine spending in the US will see a 34% escalation in spending over 2015, on an invoice price basis to reach US\$ 560-590 billion in 2020. Driven by innovation, invoice price escalation (offset by off-invoice discounts and rebates) and the impact of loss of exclusivity. Spending growth in the next five years will differ from the last four. The reason is that the last four years included the largest patent expiry cluster ever in 2012. Besides, 2014 saw the largest number of new medicine launches. Moreover, generic medicines will continue to account for a significant proportion of US's prescription medicine usage; rising from 88% to 91-92% of all dispensed prescriptions by 2020.

The Affordable Care Act (ACA) will continue to have an effect on medicine spending during the next five years, primarily due to expanded insurance coverage. ACA access expansion will be largely complete by 2020, bringing modest new demand for medicines, but an increasing share of medicines will be paid for by Medicare, Medicaid, and other government funded or mandated programmes each commanding substantial discounts from list prices. The wider adoption of

DRIVERS OF SPENDING GROWTH 2015-2020

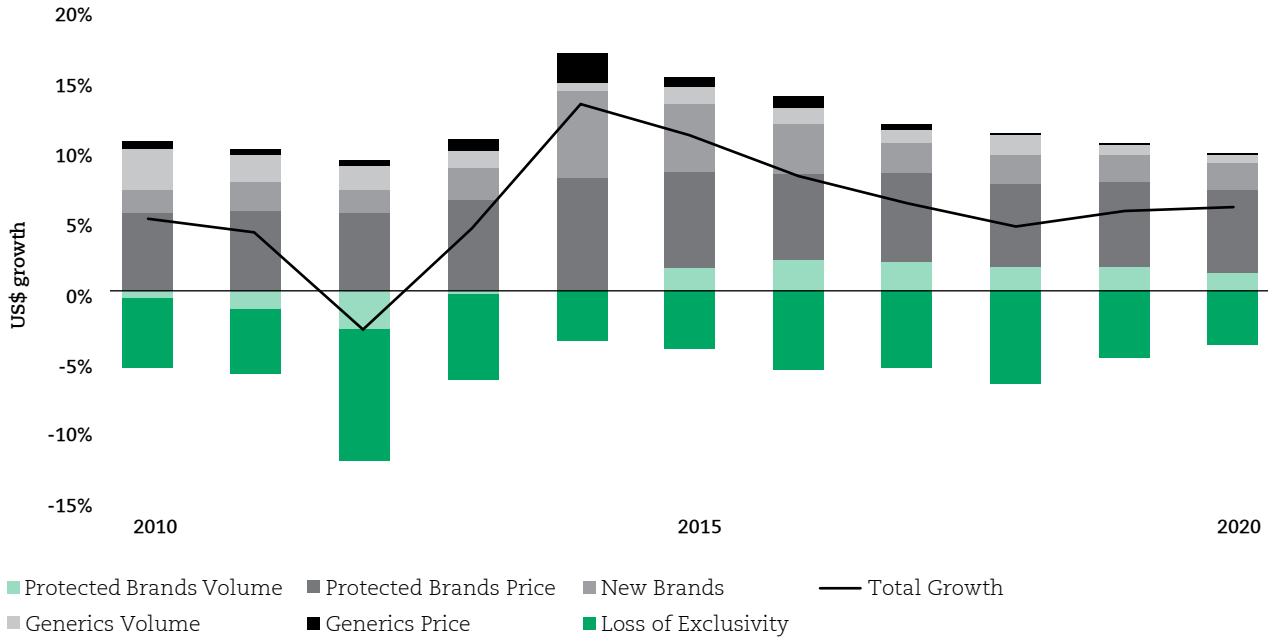


Source: IMS Health, Market Prognosis, September 2015

provisions of the law that encourage greater care coordination will see at least a third of healthcare covered by Accountable Care Organisations (ACOs) under the Medicare shared savings programme or ACO-like arrangements negotiated between commercial insurers and institutions. These organisational and payment changes will reinforce the shift to outcomes and evidence-based payments, as opposed to the volume of services provided.

U.S. SPENDING GROWTH - 2010-2020

(US\$ billion)



Source: IMS Health, Market Prognosis, IMS Institute for Healthcare Informatics, October 2015

EU5

Medicine spending across Germany, France, Italy, Spain and the UK markets is likely to be around US\$ 180-190 billion in 2020. This growth will be mostly driven by Germany and the wider adoption of specialty medicines. Germany will enhance spending largely as a result of wider adoption of innovation, supported by health technology assessments, including reassessments of already marketed products.

The U.K., after a Conservative Party election victory, is re-examining the organisation of the National Health Service (NHS) and historic pricing agreements with the pharmaceutical industry. Spain and Italy are recovering at a sluggish pace following the global economic crisis. Other major European countries are facing budget constraints and France is likely to see a decline in the volume of medicines used on a per capita basis. Specialty medicines will play a big role in driving the medicine spending across Europe. A recovery in traditional medicine spending will also contribute to the pie in some measure.

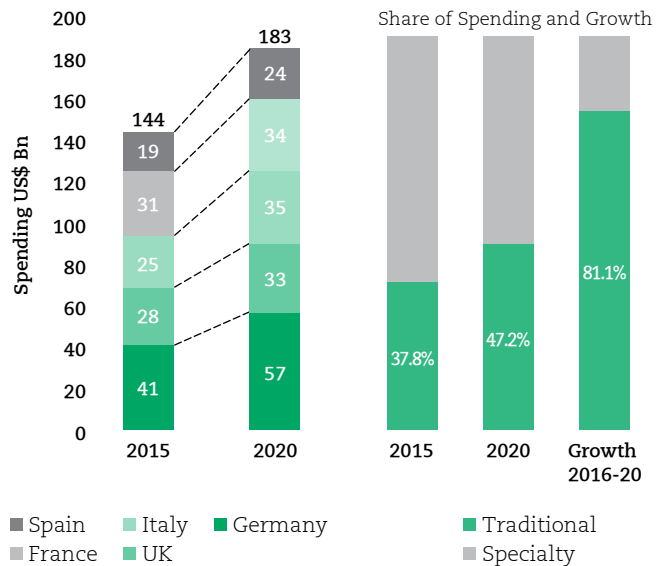
Japan

Japan's pharmaceutical spending stood at approximately US\$ 78.3 billion in 2015 growing at a compound annual growth rate (CAGR) of 0-3% during 2016-20 to reach US\$ 79-89 billion by 2020.

Wider generic usage is expected to double generic spending in the country. Generic penetration of the unprotected market is targeted by the Ministry of Labour Health and Welfare (MLHW) to reach 80% by

TOP 5 EUROPEAN COUNTRIES SPENDING - 2015 AND 2020

(US\$ billion)



Source: IMS Health, Market Prognosis, IMS Institute for Healthcare Informatics, October 2015

2020, up from 54.4% for the quarter ending June 2015. The introduction of a value added tax (VAT) in 2014, as part of national economic reforms, slowed growth; but it is expected to return to historic levels of mid-single-digit growth by 2020.

Australia

Australia's pharmaceutical market is expected to grow at a CAGR of 1.7% ($\pm 1.5\%$) over the period 2014-19, reaching AU\$ 15.2 billion by 2019 from AU\$ 14.0 billion in 2014.

Australia's healthcare system has witnessed multiple reforms. Better infrastructure and funds for secondary and primary care are expected to drive market growth. Pricing and regulation will also play an important role in shaping the industry of the future. More changes are afoot in Australia's pharmaceutical and healthcare scenario.

The latest reforms to the Pharmaceutical Benefits Scheme (PBS) laid out in the 2015 PBS Access and Sustainability Package aim to achieve gross savings of AU\$ 6.6 billion over five years. Key cost savings will come from:

- (i) the removal of original brands from price disclosure calculations, with savings estimated at AU\$ 2 billion;
- (ii) inclusion of generic combinations in price disclosure calculations, with savings estimated at AU\$ 610 million;

(iii) a one-off price cut of 5% for single brand drugs on the market for at least five years, achieving AU\$ 1 billion in savings; and

(iv) increasing the use of biosimilars, with savings of AU\$ 880 million.

PHARMERGING MARKETS

Pharmaceutical spending in pharmerging markets stood at approximately US\$ 249.2 billion in 2015. It is estimated to grow at a compound annual growth rate (CAGR) of 7-10% during 2016-20 to reach US\$ 345-375 billion by 2020.

Growth in spending on medicines in pharmerging markets is driven primarily by a wider use of medicines. The per capita escalation in volume and spending reflect the strong commitment to wider access to healthcare from the government and expanded private insurance markets that many pharmerging countries are experiencing.

The difference in per capita spending growth and overall spending growth over the next five years shows population growth; while the overall high level of per capita spending growth reflects both access expansions and the rising mix of higher cost medicines being used in pharmerging markets.

Pharmerging market pharmaceutical spending

Region/Country	US\$ billion			
	2015	2010-2015 CAGR	2020	2016-2020 CAGR
Pharmerging	249.2	11.90%	345-375	7-10%
China	115.2	14.20%	150-180	6-9%
Tier 2	56.8	12.90%	85-95	9-12%
Brazil	28.1	13.80%	34-44	9-12%
Russia	16.6	13.00%	29-39	11-14%
India	12.1	10.90%	13-19	5-8%
Tier 3	77.2	8.10%	100-120	6-9%

(Pharmerging markets: China, Brazil, Russia, India, Venezuela, Poland, Argentina, Turkey, Mexico, Vietnam, South Africa, Thailand, Indonesia, Romania, Egypt, Pakistan, Ukraine, Algeria, Colombia, Nigeria and Saudi Arabia)

China

China's consistent focus on access expansion for medicines is expected to provide basic medical insurance to its entire population; but further rapid spending growth is not likely. Per capita medicine volumes are expected to increase, but at a slower rate. The country's economy is passing through a phase of rebalancing and slowdown. The country's medicine spending is bound to be impacted by this transition.

Africa

Africa's pharmaceutical industry value increased from just US\$ 4.7 billion in 2003 to US\$ 20.8 billion in 2013. That growth is continuing at a rapid pace; and the market will be worth US\$ 40 billion to US\$ 65 billion by 2020. Africa's pharmaceutical markets are growing in every sector. Between 2013 and 2020, prescription drugs

are forecast to grow at a compound annual growth rate of 6%, generics at 9%, over-the-counter medicines at 6%, and medical devices at 11%.

India

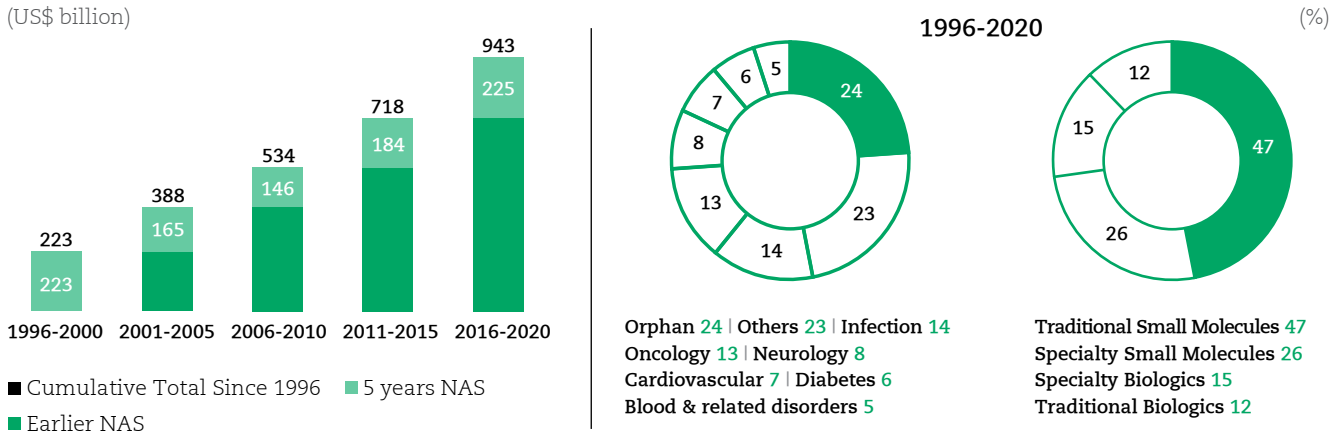
India's pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value. It is dominated by branded generics (70% to 80% of the market). The reasons are increasing consumer spending, rapid urbanisation and rising health insurance, among others. Moreover, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also drive growth for pharmaceutical companies.

Moreover, India is the largest provider of generic drugs globally with the Indian generics accounting for 20% of global exports in terms of volume.

Innovator market

In 2020, there will be 943 New Active Substances (NAS) introduced in the prior 25 years and majority will be widely available to populations globally. These treatments often take years to reach patients outside the major developed markets, so the cluster of innovations in the next five years will be less widely available. Increasingly, the new medicines available will treat oncology and orphan diseases; and provide a range of specialty small molecule medicines.

GLOBAL NEW ACTIVE SUBSTANCES (NAS) AVAILABLE SINCE 1996



(Source: IMS Health, IMS Institute for Healthcare Informatics, October 2015)

Generic market

The patent cliff has passed its steepest point; but a steady flow of patent expiries continues to depress the revenue of many pharmaceutical companies, as cost-conscious governments and other healthcare payers increasingly endorse the use of generic drugs. The global generics market was valued at US\$ 168 billion in 2013; and is expected to reach US\$ 283 billion by 2018, growing at 11% CAGR.

Generic drugs account for around 70% of the U.S. drug market by volume. In Europe they represent 50% of the entire pie. Although the generic proportion differs significantly by country, the magnitude of savings from generics that each country achieves will also depend on the price differentials between the generic and branded versions.

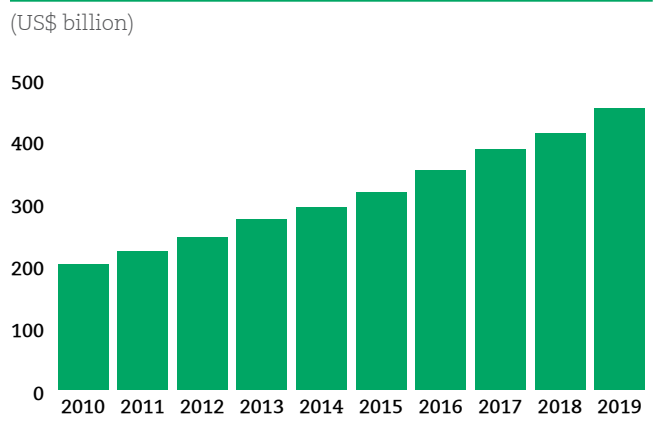
In the U.S., generics use is almost 90% within the off-patent (unprotected) market. However, in many European countries, potential savings are not fully exploited due to lower utilisation of generics in key therapy areas. Countries including Japan, Italy, Spain, Poland, and France have adopted pro-generic policies that encourage doctors or pharmacists to substitute generics for branded products. However, many governments are concerned that the transition is not happening fast enough (Source: Deloitte - 2015 Global life sciences outlook).

Biosimilars market

Biotech drugs will continue to gain traction in the life sciences sector. Biotech drug sales were an estimated

US\$ 289 billion in 2014; and are projected to grow to US\$ 445 billion by 2019. In addition, biotech's share of worldwide prescription drug and over-the-counter pharma sales is projected to increase from 23% in 2014 to 26% in 2019 (Source: Deloitte - 2015 Global life sciences outlook).

GLOBAL BIOTECH MARKET ESTIMATE

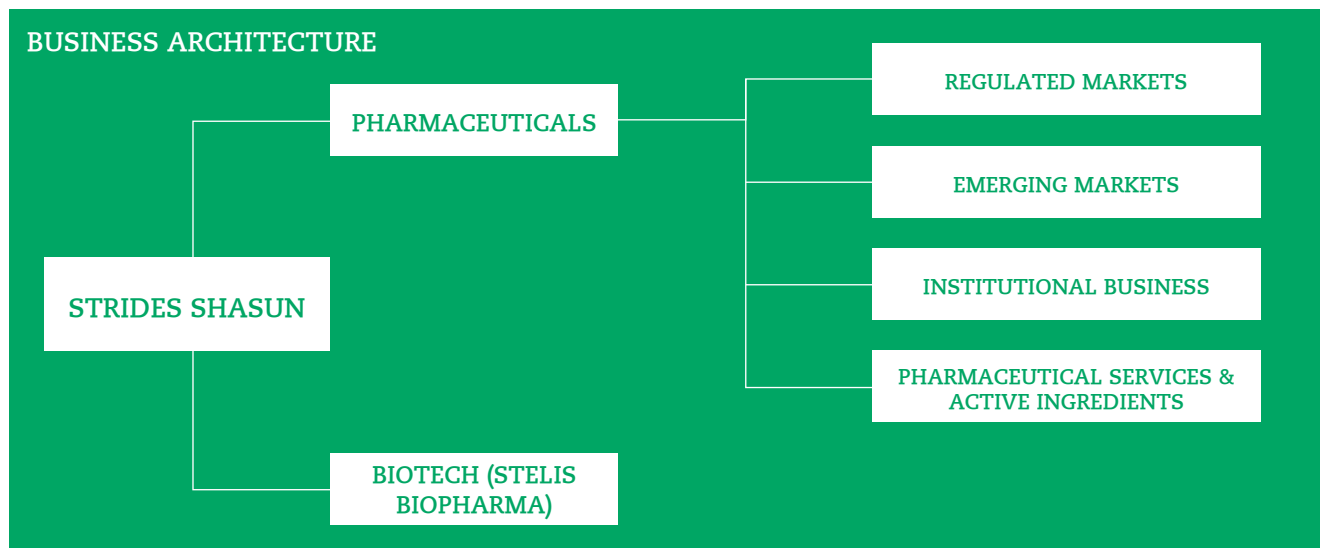


Source: DTTL Life Sciences and Health Care Industry Group analysis of Industry Report: Global Biotechnology, IBISWorld, January 2015

With significant growth of specialty drugs and focus on personalised medicine, biotech companies are seeing increasing investment activity.

ABOUT STRIDES SHASUN

Strides Shasun is a vertically integrated global pharmaceutical company headquartered in Bengaluru. It has global manufacturing footprint with 14 facilities across India, Europe and Africa, including six US FDA approved facilities and eight facilities for the emerging markets. The Company has three dedicated R&D facilities in India with global filing capabilities and a strong commercial footprint across 85 countries. The Company focuses on developing niche and complex pharmaceutical products across a wide dosage formats for regulated and emerging markets.



BUSINESS VERTICALS

Global Pharma Division

Regulated markets

Our regulated markets business primarily covers the front end presence in Australia, the United States and the United Kingdom. We have a portfolio of products across oral solids and topicals, including soft gel capsules, hard gel capsules, tablets, liquids, creams and ointments modified and extended release products. We have a comprehensive sales and marketing presence in all of these markets.

United States

In United States, we are focused on developing a pipeline of limited competition products in niche and difficult-to-manufacture domains. We currently have a portfolio of 52 filed ANDAs and 26 approved products.

Key strengths

- Front-end set-up to market all new products under own label
- Differentiated R&D set-up in place to increase product filing momentum across dosage formats
- Diversified manufacturing footprint with capabilities across complex dosage formats
- Supply chain security through backward integration with 2 USFDA approved facilities for captive supplies of APIs

Growth strategies

- Building a portfolio of below the radar products around scarce domains
- Accelerated product filings across dosage formats to capitalise on a faster approval cycle under the Generic Drug User Fee Amendments (GDUFA) regime
- Shift business mix from partnership to front-end, resulting in higher margin and IP ownership
- Ensure supply chain security and mitigation of vendor risk through backward integration
- Facilitate filings from multiple locations to mitigate regulatory risks

Australia

Re-entered the Australian market in a leadership position during the financial year 2015 with the acquisition of generics portfolio from Aspen Pharmacare Holdings Limited (Aspen). Australian operations consolidated under our subsidiary Arrow Pharmaceuticals Limited (Arrow). The acquisition places the Company among the top 2 players in terms of product range; and among the top 3 generic players in terms of value. Moreover, we are a preferred generic drug partner to Sigma, the largest pharmacy wholesalers in Australia. We strengthened the product portfolio and enhanced pharmacy coverage in Australia through proposed acquisition of Generic Pharmaceuticals and a strategic tie-up with Pharmacy Alliance, respectively.

Key strengths

- Leadership position - wide range of products via in-house development and in-licensing
- Strong OTC franchise through Chemists' Own portfolio
- Strong R&D platform to introduce new products
- TGA approved manufacturing facility in India
- Leveraging strong leadership experience from erstwhile Ascent business

Growth strategies

- Leverage Sigma's entrenched position in Australian market to garner market share
- Increased market penetration through enhanced pharmacy coverage
- Expanding the scope of OTC portfolio Chemists' Own brand
- New product introductions including drugs going off-patent
- Focus on backward integration to build supply chain efficiencies

UK

In the United Kingdom, we are primarily involved in supplying generics to hospitals approved by the National Health Service (NHS) and OTC products through retail outlets. Our front-end presence helps capture branded orientation of the UK pharmaceutical market, providing a strong growth platform.

Key strengths

- Regulatory and registration capabilities for regulated markets of Europe, including UK
- Strong base portfolio and under development pipeline to help ramp up product offering for European markets
- Out-reach for Continental Europe through out-licensing IP to third parties
- UK MHRA approved manufacturing facility in India
- Leveraging the Italian manufacturing operations for supply in European markets

Growth strategies

- Expand product offering by leveraging existing product portfolio of US / Australia
- Develop a portfolio in oral liquids, soft gel capsules, creams and ointments
- Strengthen the product portfolio through in-licensing dossiers for UK

- Increase coverage by expanding sales and marketing presence to Northern UK and Ireland
- Facilitate partnership model to carry own IP generics to the rest of Europe

Emerging markets

In emerging markets we are pursuing an "In Market for Market" strategy and are primarily focused on creating a leading branded generics platform in Africa and India by leveraging a portfolio of mega brands. We are also seeding new geographies including fast growing markets of Russia, CIS and South East Asia.

Africa

We currently have a significant sales and manufacturing presence across Sub-Saharan Africa region. Our sales and marketing footprint spans across West Africa including French Africa, Eastern Africa and other countries in Central Africa. In Africa, we provide branded generics and generics products in chronic segments with a focus on lifestyle related diseases.

Key strengths

- Significant local presence with established leadership position across key market
- Strong field force of 200+ local medical representatives offering specialised education for general practitioners (GPs) through E-detailing
- Currently have 1,000+ product registrations across African markets with a pipeline of over 300 products
- Significant local manufacturing footprint with seven manufacturing facilities spread across Africa, well complemented by a dedicated emerging market facility in India

Growth strategies

- Strengthen front-end presence by entry into new geographies and improved penetration for current markets, focused on becoming a pan-Africa branded generic player
- Introduction of new products by leveraging a strong brands portfolio for emerging markets
- Increase medical representatives (MR) headcount for the branded generics portfolio
- "In Africa for Africa" - Leveraging local manufacturing footprint and strong relationship with local business partners to drive growth in generic segment

India

In India, we are focused on branded generics in high growth areas of CNS, diabetes, cardiovascular, women's health and pain management. Our India portfolio includes established brands like 'Renerve' and 'Raricap', in vitamin supplements and oral haematinics,

respectively. During 2015-16 we executed a focused inorganic strategy in India including brand acquisitions from Johnson & Johnson, acquisition of erstwhile Ranbaxy's "Solus" and "Solus Care" division in CNS segment from Sun Pharmaceuticals and acquisition of majority stake in domestic branded business of Medispan providing access to fast growing segment of probiotics. These acquisitions strengthen our brands portfolio and strengthens our marketing footprint across India.

Key strengths

- Portfolio of established brands in fast growing segments of CNS, women wellness, dermatology, antiemetic, probiotics and pain management
- Strong field force of 800+ medical representatives with a pan-India marketing footprint

Growth strategies

- Focus on integration of acquired businesses – Products, people and supply chain
- Focus on building a portfolio of mega brands to deliver sustainable growth

Institutional business

In the institutional business, we develop and manufacture drugs in the anti-retroviral, Anti Hepatitis C and anti-malarial segments for supply to institutionally-funded aid projects and global procurement agencies. Some of the agencies we cater to are: UNITAID, Partnership for Supply Chain Management (PFSCM) which is the procurement agency for the United States President's Emergency Plan for AIDS Relief (PEPFAR), and the Clinton Health Access Initiative (CHAI).

Key strengths

- Significant footprint in developing economies, resulting in visibility with innovators / organisations, such as Gilead, Medicines for Malaria Ventures (MMV) and Medicine Pharma Pool (MPP)
- Strong manufacturing base with multiple USFDA and WHO prequalified sites
- Access to WHO approved manufacturing facility in Sub-Saharan Africa
- Strong base portfolio for anti-retroviral, Anti Hepatitis C and anti-malarials

Growth strategies

- Shift from being the only non-backward integrated fringe player to a fully integrated player with scale
- Leverage on above industry average supply chain efficiencies
- Development of next-generation products as per donor agency guidelines in ARVs, anti-malaria and HCV segments

- Increased collaboration with big pharma for voluntary licensing opportunities in developing economies

Pharmaceutical Services & Active Ingredients

The Pharmaceutical Services & Active Ingredients (PSAI) business segment represents our Active Pharmaceutical Ingredients (API) and Contract Research and Manufacturing Services (CRAMS) businesses. We have two USFDA approved manufacturing facilities in India. Our USFDA, PMDA and MHRA approved facility is UK catering to the NCE segment.

Key strengths

- We are among the key suppliers of Ibuprofen along with Ranitidine and Gabapentin globally
- Integrated R&D function for API and formulations to ensure seamless execution of backward integration plan for key products across markets
- Strong API manufacturing capability with 2 USFDA manufacturing facilities in India and 1 in UK
- Catering to high entry barrier markets like Japan and Korea with a basket of limited competition products

Growth strategies

- Focus of API segment shifting towards captive consumption, providing source security for formulations business
- Rationalisation of API portfolio for external sales with focus on improving margins by servicing high entry barrier markets and marquee customers with an improved product mix

Biotech

We incorporated the bio-generics business in 2013 under Stelis Biopharma, is our fully-owned subsidiary. Our business model spans the full value chain from development to manufacturing and commercialisation. We are developing both 'biosimilars' and 'novel biotherapeutics' for regulated global markets. GMS Pharma (Singapore) Private Limited has acquired a 25.1% strategic stake in Stelis Biotech. Going ahead, we plan to spin off the biotech business into a separate listed entity.

FINANCIAL HIGHLIGHTS

Consolidated	₹ in million	
	2014-15	2016 (P)
Revenue	25,468	31,776
EBITDA	3,928	5,617
EBITDA %	15%	18%
Revenue contribution		(%)
Regulated markets		34
Emerging markets		14
Institutional Business		19
Pharmaceutical Services & Active Ingredients		33

OUTLOOK

Going forward, our regulated market growth will be driven by new product introductions and enhanced market coverage.

In emerging markets, we will strengthen branded generic platform with portfolio of mega brands. We will also continue to expand our emerging market footprint and expand our marketing footprint with addition of medical representatives in new markets.

In Institutional Business we will focus on backward integration of key products. We will also introduce new products based on new regimens and increase collaboration with innovator companies for in-licencing in developing economies.

In PSAI, focus of the API business will shift towards captive requirements. We will focus on improving the

margins for the non-captive API portfolio through a better product mix and increased sales in high entry barrier markets.

In biotech two of the assets have reached inflection point and the focus will be on scaling up these products to next stage along with addition of newer molecules to the R&D pipeline.

RISK MANAGEMENT

Strides Shasun's risk-management framework encompasses practices relating to the identification, assessment, monitoring and mitigation of strategic, operational and external environment risks that may impact its key business objectives.

Although centrally initiated, the risk-management approach is carefully decentralised, enabling risk mitigation at the transactional level.

Risk	Mitigation
<p>Regulatory risk Operating in a highly regulated industry, any failure on our part to comply with applicable regulations may adversely affect our operations and business growth</p>	<p>We have always maintained a consistent track record in receiving approvals from all leading global regulatory authorities.</p> <p>Our facilities are regularly inspected for compliance with current Good Manufacturing Practices (cGMP), and such compliance is assessed by the WHO and the U.S. FDA. Our audit procedures are also regularly updated to comply with any changes in international regulatory requirements, such as those of the U.S. FDA or the MHRA of the United Kingdom. Some of our manufacturing facilities have received accreditations from, the U.S. FDA (United States), MHRA (United Kingdom), ANVISA (Brazil) and TGA (Australia), among others.</p>
<p>Research & Development risk Lack of consistent innovation in products and processes may hamper prospects</p>	<p>We have directed our R&D efforts towards innovative technologies, designed to expand our product portfolio. We have three dedicated R&D facilities, located in Bengaluru and Chennai, India. We have approximately 400 formulation development and process chemistry scientists.</p> <p>We have filed application for 52 ANDAs in the United States, 115 filings in Europe and 18 PEPFAR filings and own 23 approvals for ANDAs in the United States, 100 approvals in Europe, 134 approvals in Australia and 17 PEPFAR approvals. We also have an API portfolio of 43 commercialised DMFs, with another 23 under development.</p>
<p>Operation risk Uninterrupted raw material supply and rising operational cost may dampen profitability</p>	<p>We have globally benchmarked manufacturing facilities, certified by the top world regulatory authorities.</p> <p>We will leverage our vertically integrated platform by shifting the manufacturing of these products in-house to promote supply chain efficiencies.</p> <p>We entered into long-term contracts with approved vendors, indigenously and globally after stringent vendor audit. Moreover, it ensures round-the-clock review mechanism to enhance optimum utilisation of operational facilities.</p>
<p>Quality risk Any manufacturing or quality control problems may damage our reputation and expose us to litigation or other liabilities, which could adversely affect our business</p>	<p>We believe that the provision of high-quality products on a dependable basis is critical to our continued success; and the maintenance of long-term relationships with our customers. We are dedicated to providing high-quality pharmaceutical products to our customers; and we have devised and implemented a range of quality assurance procedures to achieve this objective.</p> <p>Our quality control department ensures that materials received from our approved lists of vendors also comply with our internal standards and specifications, which are designed to satisfy the requirements set forth by various regulatory agencies that monitor our products and services.</p>

Risk	Mitigation
<p>Marketing risk Lack of a proper market development approach could jeopardise product offtake and growth</p>	<p>We sell our pharmaceutical products to approximately 85 countries. In the United States, we have a front-end presence selling products to key wholesalers. In the United Kingdom, we are primarily involved in supplying generics to hospitals approved by the NHS and OTC products through retail outlets.</p> <p>We have also entered into out-licensing agreements with key players for sales in continental Europe. In Australia, our relationship with Sigma, which is one of the largest pharmacy led network in Australia, allows us access to approximately 1,200 pharmacies.</p> <p>In emerging markets, we have a significant field force to drive our branded generics business. We currently have approximately 200 medical representatives in Africa; and approximately 700 medical representatives in India.</p> <p>For our institutional business, we have entered into agreements with global organisations, such as UNITAID, PEPFAR and CHAI to supply anti-retroviral and anti-malarial drugs to institutionally-funded aid projects and global procurement agencies.</p>
<p>Information technology (IT) risk Lack of a strong IT framework and infrastructure may impact business operations</p>	<p>We have a secured IT network, achieved through the use of firewall, 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 routinely undergo validation check.</p>

HUMAN ASSETS

At Strides, we strive to attract and retain the best industry talent and nurture them in a rewarding work culture. We promote merit-based recruitment and provide adequate training to enhance skill-sets, upgrade knowledge and motivate employees to ensure organisational excellence. Our people-centric approach provides our team an open work environment, and fosters continuous improvement and development.

With a multi-cultural and diverse workforce, we do not support any discrimination in terms of nationality, sex, religion, marital status, caste and creed. Our team has relevant experience, exposure and expertise to match global standards. We have friendly HR policies in place to strengthen the workforce at every level. Besides, such policies also help people to realise their aspirations.

We provide managerial and leadership development programmes across all levels to improve our business practices. Curriculum-based learning for both functional and behavioural skills form a part of our training programmes. We are consistently improving our performance management process to create a high-performance culture. Our employee strength stood over 5,500 as on March 31, 2016.

Internal control systems and adequacy

The Company's advanced IT infrastructure ensures adequate internal controls over business processes and practices. This internal control system provides reasonable assurance about the integrity and reliability of 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-Fifth Annual Report together with audited financial statements for the financial year ended March 31, 2016.

1. FINANCIAL SUMMARY (STANDALONE)

(Figures in Million)

	Year ended			
	March 31, 2016		March 31, 2015	
	Rupees	US\$ *	Rupees	US\$ *
1.1 Financial Results				
Income	23,444.52	353.83	10,295.94	164.74
Operating Profit (EBIDTA)	4,230.21	63.84	2,340.96	37.46
Net Profit (PAT)	1,610.72	24.31	5,323.19	85.17
Reserves and Surplus	30,460.63	459.71	14,148.07	226.37
1.2 Profits				
Operating Profit (EBIDTA)	4,230.21	63.84	2,340.96	37.46
Less : Interest	1,027.12	15.50	344.23	5.51
Depreciation & Amortisation	1,058.48	15.97	492.54	7.88
Exceptional items incl. AS 30	251.75	3.80	(5,186.14)	(82.98)
Profit before tax	1,892.86	28.57	6,690.33	107.05
Less: Provision for Tax				
Current tax expenses	327.12	4.94	1,425.72	22.81
Current tax expense relating to prior years	(52.91)	(0.80)	(11.87)	(0.19)
Deferred tax expenses	335.05	5.06	(46.71)	(0.75)
MAT credit entitlement	(327.12)	(4.94)	-	-
Profit after tax	1,610.72	24.31	5,323.19	85.17
Opening balance of Profit and Loss	47.26	0.71	1,085.82	17.37
Add: Transferred from General reserve	-	-	560.72	8.97
Pursuant to the Scheme of Amalgamation	1,916.75	28.93	-	-
Available for appropriation	3,574.73	53.95	6,969.73	111.52
1.3 Appropriations				
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets	(8.07)	(0.12)	(28.79)	(0.46)
Dividend on Equity Shares:				
Interim Dividend Paid	(67.22)	(1.01)	(6,254.39)	(100.07)
Proposed Dividend	(357.41)	(5.39)	(178.85)	(2.86)
Dividend Tax:				
On Interim Dividend	(14.07)	(0.21)	(460.44)	(7.37)
On proposed Dividend	(74.80)	(1.13)	-	-
Balance carried to Balance Sheet	3,053.16	46.08	47.26	0.76

Note * 1 US\$ = ₹ 66.26 (Exchange Rate as on March 31, 2016)

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

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

2. BUSINESS OVERVIEW

FY 2015-16 has been a landmark year for us with the annualised revenue base of the Company expanding almost 3 times driven by organic and inorganic strategies. The Company reported robust FY16 Results with Pharma delivering strong operating margins and R&D gaining momentum.

Regulated Markets - Driven by North America and Australia

- Revenues stood at ₹ 10,934 million, registering 75% growth over the last year
- The business contributed to 34% of the group revenue for the period ended March 31, 2016
- North America delivered robust performance in FY 2016. Base Portfolio delivered a strong performance with healthy market share gains for some key products - Vancomycin hardgel (50%), Ergocalciferol softgel (52%), Methoxsalen softgel (37%) and Calcitriol softgel (14%).
- 5 product approvals received from US FDA in FY 2016. New product launches garnered important market share - Benzonatate Softgel (20%), Dutasteride Softgel (14%) and Lamivudine/ Zidovudine Softgel (10%).
- New product filing gained momentum with 10 ANDA filings for H2 FY 2016, R&D spent is ₹ 757 Million in FY 2016 versus ₹ 592 Million in FY 2015
- Cumulative filings of 52 ANDAs in the US with 29 products pending approval.
- Re-entered the Australian market in a leadership position under Arrow Pharmaceuticals. The business consolidated for 7 months in FY 2015-16 delivering steady performance.

Emerging Markets

- Revenues stood at ₹ 4,301 Million versus ₹ 4,609 Million in the previous year
- The business contribution stood at 14% of Group revenue for the period ended March 31, 2016
- Significant corporate actions announced during the year in Africa and India with a focus on improving the quality of the business. Continue to be invested in business from a long term perspective as it has the right pivots to deliver sustainable growth

- Disciplined approach to credit risk helps tide over a volatile operating environment in Africa. Branded business continues to track healthy growth at secondary level. Volatile currency environment during the year impacts demand for generic products by few countries in Africa
- Successfully integrated the acquired businesses of Central Nervous System (CNS) from erstwhile Ranbaxy, brand portfolio from J&J and probiotics business from Medispan in India. Business now has a strong product portfolio and a well-integrated field force to leverage pan India foot print
- Investment in new markets of Russia, CIS and South East Asia on track with a focus on building a strong branded generics platform in the regions.
- Strong Field force of ~1,000+ medical representative across emerging markets

Institutional Business

- Revenues stood at ₹ 5,951 Million with 49% growth over the previous year
- The business vertical contributed 19% of Group revenue for the period ended March 31, 2016
- Increased off-take in ARV (antiretroviral) segment and strong supply chain execution helped deliver best yearly performance in the FY 2016.
- Working in collaboration with Gilead Sciences for development and distribution of generic Sofosbovir and Tenofovir Alafenamide (TAF) in developing economies
- Working in collaboration with Medicines for Malaria Venture (MMV) for the development of rectal artesunate for pre-referral treatment of children with severe malaria
- Signed a sub-licensing agreement with the Medicines Patent Pool (MPP) to develop Dolutegravir (DTG) for treatment of HIV in developing countries
- Received approval from Drug Controller General of India (DCGI) for manufacturing generic version of Sofosbuvir (Gilead's Sovaldi) used for treatment of Hepatitis C. Currently marketing the product under the brand name "Virso". Registrations and sales for "Virso" gaining momentum in key emerging markets

Pharmaceutical Services & Active Ingredients (PSAI)

- Revenues stood at ₹ 10,591 Million, versus ₹ 10,626 Million in the previous year
- The business vertical contributed 33% of Group revenue for the period ended March 31, 2016
- API delivered a steady performance in FY 16 despite impact of incessant rains in the state of Tamil Nadu
- Focus shifts towards captive consumption, New Drug Master File (DMF) filing plan aligned to formulations strategy. Filed 5 new DMFs during the year including 3 filed for captive use.
- R&D function for API and formulations aligned, to ensure seamless execution of backward integration plan for key products across markets.
- Rationalised API portfolio for commodity products with focus on delivering superior margins, retained business to be attractive with increased captive consumptions.

Bio Generics

- R&D spent for FY 2016 is ₹ 197 Million, against ₹ 80 Million in FY 2015.
- Company's lead biosimilar asset reached an inflection point as the pilot clinical study in limited subjects was completed successfully. Focus now is on scaling up the asset for pivotal clinical study.
- Successfully scaled up the second biosimilar asset which is now ready for bio-compatibility testing.
- Commenced construction activity of biopharmaceutical facility at Doddaballapur, Bengaluru.
- Board approval in place to spin off the Biotech business into a separate entity.

Key Corporate Actions

Merger of Shasun Pharmaceuticals Limited

We successfully completed the merger of Shasun Pharmaceuticals Limited, with the Company, forming the new identity Strides Shasun Limited effective from November 19, 2015 (Appointed Date being April 1, 2015).

The merger provided synergies of complementary product portfolio, strong R&D infrastructure and de-risked manufacturing base. The merger also provides the supply chain security for the formulations business through in house API capabilities. Going forward, we are focused on deriving synergies through backward API

integration of key products across businesses and also building an integrated product portfolio with captive API supplies. Besides, we are committed to further integrating our business to leverage the combined infrastructure and resources in a better way to deliver sustainable growth.

Acquisition of Generics portfolio in Australia

Strides Pharma Global Pte. Ltd, Singapore and Strides (Australia) Pharma Pty Ltd, Australia, both wholly owned subsidiaries of the Company acquired a generic portfolio of pharmaceutical products together with certain branded pharmaceutical assets and business from certain wholly owned subsidiaries of Aspen Pharmacare Holdings Limited, a company listed on the Johannesburg Stock Exchange (Aspen). The acquired business has been branded as Arrow Pharmaceuticals. The business and assets acquired from Aspen have a current prescription market share that ranks 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.

Update on Stelis Biopharma

The Company had entered into an agreement with GMS Holdings, ("GMS"), whereby GMS or its affiliates would invest USD 21.90 Million for 25.10% stake in Stelis Biopharma Private Limited, India ("Stelis"), the biotech arm of the Strides Group, to fund its greenfield project. During the year, the Parties have received the FIPB approval vide its letter dated December 23, 2015. Pursuant to the approval, 69,813 equity shares of Stelis Biopharma Private Limited were issued to GMS Pharma (Singapore) Pte. Ltd. Post this allotment, Strides holding in Stelis is 74.90%.

Other Corporate Actions

- Acquired erstwhile Ranbaxy's 'Solus' and 'Solus Care' divisions operating in the Central Nervous System (CNS) segment in India from Sun Pharmaceuticals Limited. The arrangement involved transfer of these two marketing divisions, along with their employees to the Company for a consideration of ₹ 16,500 Lakhs. The transaction has received all the requisite regulatory approvals and has achieved its closure.
- Acquired seven brands from Johnson & Johnson Group. The products acquired are in the category of Dermatology, Antiemetic and Pain Management segments. The brand portfolio includes Otogesic eardrops, Ethnorub ointment and Stugil tablets. The transaction has received all the requisite regulatory approvals and has achieved its closure.
- Acquired majority stake in domestic branded business of Medispan, which enabled entry into niche Probiotics segment. The brand portfolio

includes established brands such as Lactovit and Lactogut. The Business in its entirety (including IPs and manpower) was acquired by an SPV, Strides Biologix Private Limited, in which Strides holds 51% and the balance is held by Medispan Limited. The transaction has received all the requisite regulatory approvals and has achieved its closure.

- Strides Pharma Global Pte. Ltd, Singapore entered into a definitive agreement in February 2016, to acquire a strategic stake in Generic Partners Holdings Co. Pty Ltd., and its subsidiaries, which includes an Australian pharmaceutical supply and research company. The acquisition provides the Company immediate access to 47 commercialised marketing authorisations, which would make Arrow the second largest generic pharmaceutical products company in Australia with a portfolio of over 180 molecules. The acquisition also provides access to 22 registrations pending approval with TGA and strong pipeline of 32 molecules including host of drugs going off patent in future. Going forward Arrow will consolidate its R&D initiatives for the Australian market under Generic Partners Entity, leveraging its strong product development and registration capabilities. Generic Partners is one of Australia's leading B2B suppliers of generic pharmaceuticals.
- Arrow Pharmaceuticals Pty Ltd., a wholly owned subsidiary of the Company in Australia has entered into a 10-year supply partnership and trading platform with Pharmacy Alliance, Australia's longest standing co-operative buying groups. The supply agreement is an extension to the existing supply arrangement previously in place between Pharmacy Alliance and Aspen, before the Aspen Generics & Chemists' Own business was acquired by Arrow. The Agreement guarantees Pharmacy Alliance members a market-leading suite of products and services across both the Arrow Generic range and the renowned Chemist Own range of over-the-counter medicinal generics. The Agreement is also reflective of Arrow's current position as the largest generic supplier to Pharmacy Alliance members and the value that Pharmacy Alliance represents to Arrow. The transaction has received all the requisite regulatory approvals and has achieved its closure.
- The Group acquired a controlling stake in Universal Corporation Limited (Universal), Kenya. Universal is a Nairobi based pharmaceutical manufacturing and marketing company which is strongly entrenched in the East African territory with its front-end business and has supply contracts with key

donor agencies. Strides Shasun currently has a strong foothold in West and French Africa with a significant local manufacturing footprint and front end presence. With this acquisition, the Company will get a strong foothold in the key East African markets. The acquisition also provides access to one of the only two WHO prequalified manufacturing sites in Sub-Saharan Africa which will complement 7 strategically located plants the Company currently has across major geographies in Africa. The acquisition was made through a wholly owned subsidiary. The transaction has received all the requisite regulatory approvals and has achieved its closure.

- Company's wholly owned subsidiary Strides Pharma Inc., USA acquired an OTC portfolio comprising of Jointflex, Fergon and Vanquish brands/trademarks from Moberg Pharma, Sweden and/or its affiliates along with applicable production and commercial know-how, domain name and inventory for an aggregate consideration of ~\$10.40 million. The acquisition strengthens the Company's strategy to build a global OTC franchise. The Moberg brands/trademarks that are currently marketed in USA and Middle East will further strengthen the OTC franchise. The transaction has received all the requisite regulatory approvals and has achieved its closure.
- Divestment of CRAMS Business: The Board of Directors at their meeting held on May 16, 2016 have approved the divestment of Shasun Pharma Solutions Ltd, UK (SPSL), which is into CRAMS API business. Divestment would be made to a Company to be set up by the current management team of SPSL and members of promoter group of Strides Shasun Limited. Divestment would be for an enterprise value not less than GBP 25 Million with an equity value of GBP 6 Million (after adjustment of debt and debt like items), to be discharged by way of cash and on such terms and conditions as may be decided by the Board. The divestment is subject to approval of Members of the Company and other applicable laws.

2.1 Nature of Business of the Company

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

3. SHARE CAPITAL

Authorized Share Capital

During FY 2016, pursuant to completion of merger of Shasun Pharmaceuticals with the Company effective November 19, 2015, the Authorized Share Capital of Shasun Pharmaceuticals was added to the Authorized Share Capital of the Company and the Preference Share Capital of the Company was reclassified into Equity Share Capital.

Accordingly, the Authorised Share Capital of the Company as at March 31, 2016 is ₹ 1,767,500,000 divided into 176,750,000 equity shares of ₹ 10/- each.

Issued, Subscribed and Paid-Up Share Capital

During the year under review:

- Pursuant to completion of merger of Shasun Pharmaceuticals with the Company, on November 20, 2015 the Company allotted 21,017,329 equity shares of ₹ 10/- each to shareholders of erstwhile Shasun Pharmaceuticals;
- Shareholders of the Company had approved raising of long-term funds by way of issuance of GDR's/ ADR's/ FCCBs / QIP or such other equity linked instruments as may be permissible for an amount up to ₹ 1,50,000 Lakhs including a green shoe option. In accordance with the said approval, the Company had completed the placement of equity shares through QIP during the current year. On December 23, 2015, the Company has allotted 8,628,028 equity shares of ₹ 10/- each at a price of ₹ 1,278/- per share (including a premium of ₹ 1,268/- per share).
- The Company allotted 75,000 equity shares consequent to exercise of stock options.

Consequent to the above, the Issued, Subscribed and Paid-Up Share Capital of the Company as at March 31, 2016 was ₹ 893,459,780 divided into ₹ 89,345,978 equity shares of ₹ 10/- each.

4. DIVIDEND

Your Directors are pleased to recommend a Final Dividend of ₹ 4/- (Rupees Four Only) per equity share of face value of ₹ 10/- each for the year ended March 31, 2016.

During the year under review, the Board of Directors of erstwhile Shasun Pharmaceuticals Limited at its meeting held on July 30, 2015, had declared an interim dividend of ₹ 1/- per equity share of face value of ₹ 2 each and the same was paid on August 12, 2015.

Considering the above, the total dividend payout for the year under review, including the proposed Final Dividend will absorb ₹ 513.5 Million of reserves, which is inclusive of Dividend Distribution Tax of ₹ 88.87 Million.

5. DEPOSITS

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

6. SUBSIDIARY AND JV COMPANIES

As at March 31, 2016, the Company had 40 subsidiaries overseas, 7 subsidiaries in India and 2 overseas Joint Ventures. List of subsidiaries/ JVs

which have become or ceased to be part of the Company is attached as Annexure 1.

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 2 to this Report.

7. CORPORATE GOVERNANCE

The Company has complied with all the mandatory requirements of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As required by the said regulation, 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 Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis is given separately and forms part of this Report.

9. EMPLOYEE STOCK OPTION SCHEME

SEBI had notified the Share Based Employee Benefits Regulations 2014, which replaced the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. It mandates that all listed companies having existing stock option schemes comply with the revised regulation in their entirety.

The Company had 4 ESOP Schemes viz., Strides Arcolab ESOP 2006, Strides Arcolab ESOP 2008, Strides Arcolab ESOP 2008 (Directors) and Strides Arcolab ESOP 2011. While there are no outstanding options under the ESOP 2006, ESOP 2008 and ESOP 2008 (Directors) Schemes, there were 350,000 options due for vesting over the next three years under the ESOP 2011 Scheme.

Considering the provisions of the new Regulation, the Nomination and Remuneration Committee resolved that the existing ESOP Schemes, under which there are no outstanding options, be terminated. Further, the Committee resolved that it should not grant further stock options under the ESOP 2011 Scheme. However, the outstanding options under the ESOP 2011 shall continue to vest as per the offer letter granted to employees of the Company.

Pursuant to completion of merger of Shasun Pharmaceuticals with the Company, a new ESOP

Scheme titled Strides Arcolab ESOP 2015 was launched to allot upto 70,000 stock options to employees of erstwhile Shasun holding stock options under Shasun ESOP Scheme. The Scheme has received shareholder approval and In-Principle approval from Stock Exchanges.

Consequent to the cancellation of the old ESOP Scheme, the Nomination and Remuneration Committee has launched a new ESOP Scheme titled Strides Shasun ESOP 2016, which enables grant of upto 30 Lakh stock options to Employees of the Company, whether in India or overseas. The Scheme has received shareholder approval and In-Principle approval from Stock Exchanges.

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 3 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on date of this Report, the Board comprises of 9 Directors comprising of 2 Executive Directors, 5 Independent Directors and 2 Non-Executive Directors. Chairman of the Board is Non-Executive.

Meetings of the Board

During the year ended March 31, 2016, the Board met 5 times. These meetings were held on May 22, 2015, July 30, 2015, September 25, 2015, October 27, 2015 and February 8, 2016. For further details, please refer to the Corporate Governance Report, which forms part of this Report.

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 Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company's Remuneration Policy for Directors, Key Managerial Personnel and Senior Management is enclosed as Annexure 4.

Board Evaluation

As stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

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, Executive Director and the Non-Independent Directors were 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 of the Independent Director that he/ she meets the criteria of independence as laid down in Section 149 (6) of the Companies Act, 2013.

Retirements and Appointments

Mr. Deepak Vaidya, 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.

During the year under review, Mr. S. Abhaya Kumar was appointed as an Executive Director (Additional Director) of the Company effective from November 19, 2015 and in terms of Section 161 of the Companies Act, 2013, he holds office until the date of the ensuing Annual General Meeting of the Company. Your Directors recommend his appointment as an Executive Director of the Company for a period of 3 years with effect from November 19, 2015.

Further, Mr. Bharat Shah was re-designated as an Independent Director of the Company effective from June 15, 2016. Mr. Shah was originally appointed as a Non-Executive Director of the Company on July 25, 2014. While he met the criteria stipulated for Independent Directors under the Act, he was designated as Non-Executive Director to ensure compliance with Section 152 of the Act, which stipulates retirement of Directors by rotation. Subsequently, as the Board of the Company has requisite number of Non-Executive Directors who can fulfil the compliance requirement and considering that Mr. Shah continues to meet the criteria stipulated for Independent Directors, he was re-designated as Independent Director of the Company. Your Directors recommend his appointment as an Independent Director for a period of 5 years with effect from June 15, 2016.

Key Managerial Personnel

During the year under review, Mr. S. Abhaya Kumar, who was appointed as an Executive Director was designated as a Key Managerial Personnel (KMP) of the Company in terms of Section 203 of the Companies Act, 2013.

The KMPs of the Company as on the date of this report are Mr. Arun Kumar, Managing Director, Mr. S. Abhaya Kumar, Executive Director and Mr. Badree Komandur, Group CFO and CS.

11. PARTICULARS OF EMPLOYEES

The statement containing particulars of employees 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 enclosed as Annexure 5 of this Report. Further, the particulars of employees required under Rule 5(2) and 5(3), showing 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 aforesaid annexure. 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.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has undertaken Corporate Social Responsibility (CSR), initiatives in areas of Health, Education and Employability which are projects in accordance with Schedule VII of the Companies Act, 2013 ('Act'). During the year under review, your Company has spent ₹ 42.38 Million in CSR activities as against ₹ 25.55 Million required under the Act. The CSR spend also reflects the erstwhile Shasun Pharmaceutical's spending on CSR activities.

A detailed report on CSR activities undertaken during FY 2015-16 is enclosed as Annexure 6 to this Report.

13. 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 at www.stridesarco.com.

14. 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.

15. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has designed and implemented a framework for Internal Financial Controls ("IFC") as required under Section 134 (5) (e) of the Companies Act, 2013.

For the Year ended March 31, 2016, 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.

16. RISK MANAGEMENT

The 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.

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

Particulars of investments made, loans given and guarantees covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Note no. 47 to the standalone financial statements in the Annual Report.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions with related parties are in the ordinary course of business and at arm's length basis. Hence disclosure under Form AOC2 is not part of this report. However, transactions with related parties are disclosed in Note no. 47 to the standalone financial statements in the Annual Report.

The Company has formulated a policy for transacting with Related Parties, which is uploaded on the website of the Company.

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

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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.

20. EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form MGT 9 is enclosed as Annexure 7 to this Report.

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

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

22. 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 the Secretarial Audit. The Secretarial Audit Report is annexed as Annexure 9 to this Report. There are no qualifications, observations or adverse remarks in the Secretarial Audit Report.

23. AUDIT REPORT

There are no qualifications or adverse remarks in the Audit Report issued by the Statutory Auditors of the Company on the financial statements for the financial year ended March 31, 2016.

24. 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 139 read with Section 141 of the Companies Act, 2013.

25. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility

Statement, the Board of Directors of your company state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit 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 directors have prepared the annual accounts of the Company on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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: June 15, 2016
Place: Bengaluru

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman & Managing Director

Annexure 1

Details of Subsidiaries

Part A - Entities incorporated in FY 2016

Sl. No.	Name of the Entity	Incorporation Date
1	Strides Arcolab (Australia) Pty Ltd, Australia	April 29, 2015
2	Strides (Australia) IP Pty Limited, Australia	May 19, 2015
3	Strides (Australia) Pharma Pty Ltd, Australia	May 19, 2015
4	Strides Pharma (UK) Limited, UK,	July 29, 2015
5	Strides Remedies Pte Ltd, Singapore	August 11, 2015
6	Lex Pharma Pvt Ltd, India	September 12, 2015
7	Strides Biologix Private Limited, India	October 12, 2015
8	Lex Pharma Lanka (Pvt) Ltd, Sri Lanka	November 23, 2015
9	Pharmacy Alliance Investments Pty Ltd, Australia	December 24, 2015
10	Arrow Pharma Life Inc., Philippines	March 9, 2016

Part B - Entities that became part of Strides Group in FY 2016

Sl. No.	Name of the Entity	Effective Date
1	Strides Pharma (SA) (Pty) Ltd	October 8, 2015
2	SVADS Holdings SA, Switzerland	November 19, 2015
3	Shasun USA Inc., USA	November 19, 2015
4	Shasun Pharma Solutions Inc., USA	November 19, 2015
5	Shasun Pharma Solutions Limited, UK	November 19, 2015
6	Stabilis Pharma Inc., USA	November 19, 2015
7	Shasun NBI LLC, USA	November 19, 2015
8	Chemsynth Laboratories Pvt. Ltd., India	November 19, 2015
9	Pharmacy Alliance Group Holdings Pty Ltd, Australia	February 29, 2016
10	Alliance Pharmacy Pty Ltd, Australia	February 29, 2016
11	Pharmacy Alliance Pty Ltd, Australia	February 29, 2016

Part C – Entities which underwent name change during FY 2016

Sl. No.	Former Name	Current Name	Effective Date
1	Strides (Australia) Pharma Pty Limited	Arrow Pharmaceuticals Pty Limited	September 1, 2015
2	Strides (Australia) IP Pty Limited	Arrow Pharma Pty Limited	September 2, 2015
3	Strides Remedies Pte Limited	Arrow Pharma Pte Limited	February 18, 2016
4	Co-Pharma Limited	Strides Shasun (UK) Limited	February 26, 2016
5	Lex. Pharma Private Limited	Arrow Remedies Private Limited	March 5, 2016
6	Lex Pharma Lanka (Pvt) Ltd	Arrow Pharma (Private) Limited	March 31, 2016

Part D - Entities wound up/merged during FY 2016

Sl. No.	Name of the Entity	Particulars	Effective Date
1	Shasun Life Sciences Private Limited, India	Wound up	July 10, 2015
2	Strides Pharmaceuticals (Holdings) Limited, Cyprus	Merged with Strides Pharma International Limited, Cyprus	October 16, 2015

Annexure 2

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)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
					Capital (Includes Monies pending allotment)	Reserves	Total Assets	Total liabilities (other than Capital & reserves)	Investments- other than in subsidiaries	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	Share-holding (%)	
A.	Subsidiaries Entity															
1	African Pharmaceutical Development Company	Cameroun	XAF	0.11	5.73	10.75	511.84	495.35	-	500.43	13.03	23.76	(10.73)	24.68	85%	
2	Alliance Pharmacy Pty Limited	Australia	AUD	50.74	0.01	-	0.01	-	-	-	-	-	-	-	100%	
3	Altima Innovations Inc.	USA	USD	66.26	0.40	(0.20)	44.28	44.08	(0.12)	-	(0.12)	0.08	(0.20)	-	100%	
4	Arrow Pharma (Pvt) Ltd (Formerly Lex. Pharma Lanka (Pvt) Ltd)	Sri Lanka	LKR	0.44	12.23	(6.53)	7.25	1.55	(6.91)	-	(6.91)	-	(6.91)	-	100%	
5	Arrow Pharma Life Inc.	Philippines	PHP	1.44	16.19	(1.31)	14.90	0.02	(1.29)	-	(1.29)	-	(1.29)	-	100%	
6	Arrow Pharma Pie Ltd (Formerly Strides Remedies Pte Ltd)	Singapore	USD	66.26	45.95	(23.87)	35.77	13.68	(23.63)	-	(23.63)	-	(23.63)	-	95%	
7	Arrow Pharma Pty Ltd (Formerly Strides (Australia) IP Pty Ltd)	Australia	AUD	50.74	-	-	-	-	-	-	-	-	-	-	100%	
8	Arrow Pharmaceuticals Pty Ltd (Formerly Strides (Australia) Pharma Pty Ltd)	Australia	AUD	50.74	4,931.39	219.63	10,191.47	5,040.44	-	3,147.55	362.05	153.39	208.66	-	100%	
9	Arrow Remedies Private Limited (Formerly Lex. Pharma Private Limited)	India	INR	1.00	0.10	(0.01)	4.64	4.56	-	7.27	0.04	0.06	(0.01)	-	100%	
10	Beltafarm SpA	Italy	EUR	75.40	109.78	8.48	500.20	381.94	-	449.11	(80.97)	3.42	(84.40)	-	96.57%	
11	Congo Pharma SPRL	Congo	CDF	0.07	-	-	-	-	-	-	-	-	-	-	85%	
12	Chemsynth Laboratories Private Limited	India	INR	1.00	68.63	(6.81)	80.80	18.98	-	-	(8.18)	(0.09)	(8.09)	-	49%	
13	Fagris Medica Private Limited	India	INR	1.00	1.00	(10.25)	(3.66)	5.59	-	49.91	(3.05)	-	(3.05)	-	90%	
14	Pharmacy Alliance Group Holdings Pty Limited	Australia	AUD	50.74	1,380.41	(1,380.41)	(0.00)	-	-	-	-	-	-	-	51%	
15	Pharmacy Alliance Investments Pty Limited	Australia	AUD	50.74	710.26	-	710.26	-	-	-	-	-	-	-	100%	
16	Pharmacy Alliance Pty Limited	Australia	AUD	50.74	75.40	75.77	288.58	137.41	-	61.61	15.39	2.75	12.64	-	100%	
17	Shasun Pharma Solutions Inc.	USA	USD	66.26	18.41	10.59	29.83	0.83	(0.01)	0.13	(0.01)	0.01	(0.02)	-	100%	
18	Shasun Pharma Solutions Limited	UK	GBP	95.15	412.68	83.20	3,250.11	2,754.23	-	3,276.92	127.09	13.65	113.44	-	100%	
19	Shasun USA Inc.	USA	USD	66.26	0.54	(222.47)	126.98	348.91	-	104.13	(5.29)	-	(5.29)	-	100%	
20	Sorepharm SA	Burkina Faso	XAF	0.11	1.15	(6.45)	37.40	42.70	-	18.71	4.13	0.09	4.04	-	80%	
21	SPC Co. Limited	Sudan	USD	66.26	-	(0.06)	368.16	368.23	-	-	-	-	-	-	51%	
22	Stabilis Pharma Inc.	USA	USD	66.26	0.06	(9.43)	5.56	14.93	-	4.27	(2.22)	0.06	(2.28)	-	100%	

Annexure 2

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) Share-holding (%)
23	Stelis Biopharma (Malaysia) SDN. BHD. (formerly Agia Biotech (Malaysia) SDN. BHD.	Malaysia	MYR	16.92	140.83	(44.60)	96.70	0.47	-	(3.58)	(102.99)	-	(102.99)	-	100%
24	Stelis Biopharma Private Limited (formerly Inbiopro Solutions Private Limited)	India	INR	1.00	2.78	452.27	1,974.90	1,519.85	746.55	2.54	(427.89)	0.37	(428.26)	-	74.90%
25	Strides Africa Limited	British Virgin Islands	USD	66.26	299.67	(337.22)	(36.34)	1.21	-	-	-	-	-	-	100%
26	Strides Arcolab (Australia) Pty Limited	Australia	AUD	50.74	4,961.83	(0.01)	5,014.51	52.68	-	0.03	(0.01)	-	(0.01)	-	100%
27	Strides Arcolab International Limited	UK	GBP	95.15	2,763.20	(285.16)	4,391.71	1,913.68	-	4.57	(41.63)	-	(41.63)	-	100%
28	Strides Biologix Private Limited	India	INR	1.00	10.24	85.25	105.51	10.02	-	0.89	(7.01)	-	(7.01)	-	51%
29	Strides CIS Limited	Cyprus	USD	66.26	0.21	3.47	24.29	20.61	-	(0.06)	(11.97)	-	(11.97)	-	100%
30	Strides Emerging Market Private Limited	India	INR	1.00	56.27	88.88	341.06	195.91	-	294.59	(82.33)	-	(82.33)	-	100%
31	Strides Healthcare Private Limited (formerly Strides Actives Private Limited)	India	INR	1.00	43.33	541.33	587.04	2.38	-	13.40	(63.30)	(19.91)	(43.39)	-	74%
32	Strides Pharma (Cyprus) Limited	Cyprus	USD	66.26	0.19	2,937.65	4,694.29	1,756.45	-	2,518.14	594.30	83.68	510.62	-	100%
33	Strides Pharma (UK) Limited	UK	GBP	95.15	4,125.54	(5.67)	4,302.59	182.72	728.80	-	(5.87)	-	(5.87)	-	100%
34	Strides Pharma Asia Pte Limited	Singapore	USD	66.26	7,674.35	(780.28)	11,415.94	4,521.87	-	(0.10)	(251.36)	-	(251.36)	-	100%
35	Strides Pharma Botswana (Pty) Limited	Botswana	BWP	6.04	9.65	10.50	210.23	190.08	-	1,78.98	12.86	2.07	10.80	-	70%
36	Strides Pharma Cameroon Limited	Cameroon	XAF	0.11	1.15	-	318.32	317.17	-	-	-	-	-	-	85%
37	Strides Pharma Global Pte Limited	Singapore	USD	66.26	11,360.42	1,404.27	24,398.51	11,633.82	-	4,068.39	1,070.81	31.74	1,039.08	-	100%
38	Strides Pharma Inc.	USA	USD	66.26	696.42	1,564.70	4,275.90	2,014.78	-	2,832.32	1,594.35	0.25	1,594.10	-	100%
39	Strides Pharma International Limited	Cyprus	USD	66.26	29.02	3,959.28	4,289.44	301.15	-	13.03	(85.90)	110.40	(196.30)	-	100%
40	Strides Pharma Limited	Cyprus	USD	66.26	0.63	3,642.49	3,821.55	178.43	-	1,372.76	1,141.46	14.25	1,127.22	-	100%
41	Strides Pharma Mozambique, SA Limited	Mozambique	MZN	1.31	-	(0.00)	91.89	91.89	-	-	-	-	-	-	51%
42	Strides Pharma Namibia Pty Limited	Namibia	NAD	4.46	7.93	(2.17)	182.23	176.47	-	97.04	(12.42)	(3.00)	(9.42)	-	70%
43	Strides Pharma (SA) Pty Limited	South Africa	ZAR	5.14	-	(1.62)	35.24	36.87	-	-	(1.74)	-	(1.74)	-	100%
44	Strides Shasun (UK) Limited (formerly Co-pharma Limited)	UK	GBP	95.15	1.37	177.45	482.88	304.06	-	583.49	130.95	(6.55)	137.50	-	100%
45	Strides Specialties (Holdings) Limited	Mauritius	USD	66.26	0.00	(0.63)	0.00	0.63	-	-	(0.19)	-	(0.19)	-	100%
46	Strides Vital Nigeria Limited	Nigeria	NGN	0.33	3.33	(541.86)	514.29	1,052.82	-	324.84	(5.18)	22.85	(28.04)	-	74%
47	SVADS Holdings SA	Switzerland	CHF	68.89	466.59	(11.65)	1,515.53	1,060.60	-	39.53	1.32	0.01	1.31	-	100%

Annexure 2

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 the Joint Venture	Akorn Strides LLC, USA	Shasun NBI LLC, USA
1 Latest audited Balance Sheet Date	Akorn Strides LLC does not have an independent audit performed in its financials, they are incorporated in the audit conducted on Akorn Inc., USA	31st March 2016
2 Shares of Joint Venture held by the Company on the year end		
No. of shares	-	1,312,500 Shares of USD 1 each
Amount of Investment in Joint Venture	USD 896,775*	USD 1,312,500 **
Extent of Holding %	50% by Akorn Inc., USA and 50% by Strides Pharma Inc., USA	50%
3 Description of how there is significant influence		50% share holding
4 Reason why the Joint Venture is not consolidated	The JV is currently under winding-up.	Not Applicable
5 Networth attributable to Shareholding as per latest audited Balance Sheet	Nil	₹ (38.79) Million
6 Profit/ Loss for the year		
Considered in Consolidation	Nil	Loss of ₹ 0.58 Mn
Not considered in Consolidation	Nil	Loss of ₹ 0.58 Mn

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

** The investment amount has been impaired in FY 2014-15

For and on behalf of the Board of Directors

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman & Managing Director

Badree Komandur
Group CFO & CS

Date: June 15, 2016
Place: Bengaluru

Annexure 3

Details of Strides Shasun Employee Stock Options pursuant to SEBI Regulations and Companies Act, 2013

The Company had 4 ESOP Schemes viz., Strides Arcolab ESOP 2006, Strides Arcolab ESOP 2008, Strides Arcolab ESOP 2008 (Directors) and Strides Arcolab ESOP 2011. While there were no outstanding options under the ESOP 2006, ESOP 2008 and ESOP 2008 (Directors) Schemes, there were 350,000 options due for vesting over the next three years under the ESOP 2011 Scheme.

Pursuant to the notification of SEBI Share Based Employee Benefits Regulations 2014, the existing ESOP Schemes of the Company had to be either amended in line with the SEBI ESOP Regulations or retracted.

Considering the above, the Nomination and Remuneration Committee of the Company resolved that the existing ESOP Schemes, under which there were no outstanding options, be terminated.

Further, the Committee also resolved that it shall not issue fresh stock options under the ESOP 2011 Scheme. However, the outstanding options under the ESOP 2011 scheme shall continue to vest as per the vesting schedule of such grants.

Therefore as at March 31, 2016 the following ESOP Schemes of the Company stand terminated:

- 1) Strides Arcolab ESOP 2006
- 2) Strides Arcolab ESOP 2008
- 3) Strides Arcolab ESOP 2008 (Directors)

As at the date of this report, the Company has two other ESOP schemes viz., Strides Arcolab ESOP 2015 Scheme and Strides Shasun ESOP 2016 Scheme. However, no options have been granted to employees under these Schemes.

With respect to Strides Arcolab ESOP 2011 Scheme, please find below the details of Employee Stock Options pursuant to SEBI Regulation and Companies Act, 2013.

#	Description	Strides Arcolab ESOP 2011
A	Options available under the Scheme	15,00,000
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, 2015	11,00,000
D	Options granted during the period under review	NIL
E	Options vested during the period under review	85,000
F	Options exercised during the period under review	85,000
G	Total number of shares arising as a result of exercise of options	85,000
H	Options lapsed / surrendered during the period under review	NIL
I	Variation of terms of options	NIL
J	Money realized by exercise of options	₹ 2,73,95,500
K	Total number of options in force at the end of the period ending March 31, 2016	265,000
L	Available for further grant	NIL – As the ESOP Scheme has been withdrawn by the Nomination and Remuneration Committee
M	Employee-wise details of options granted during the period under review	
	(i) Key Managerial Personnel	NONE
	(ii) Any other employee who received grant in any one year of option amounting to 5% or more of options during the year	NONE

Annexure 3

#	Description	Strides Arcolab ESOP 2011
(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
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	₹ 19.38 per share
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 - ₹ 22.69 Million Impact on EPS - ₹ 0.27
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	₹ 451.15
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:	The fair value of options granted were estimated on the grant date using the Black Scholes method. There were no stock options granted during the year. Details of assumptions used in the estimation of fair value as at grant date for options granted during the previous year are given below: Date of grant: February 2, 2015
	Risk free interest rate	7.65%
	Expected life #	3 Years
	Expected annual volatility of shares	48.44%
	Expected dividend/ yield	25%
	The price of the underlying share in the market at the time of option grant	₹ 932.45 per share

weighted average time to expiry is 1.21 years.

For and on behalf of the Board of Directors

Date: June 15, 2016
Place: Bengaluru

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman & Managing Director

Annexure 4

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

1. PREAMBLE

Strides Shasun 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”) and Regulation 19 of SEBI (LODR) Regulations, 2015, the Company is required to constitute a Nomination and Remuneration Committee (“the 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 CONSIDERED 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 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

Annexure 4

- 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 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 med claim 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-imbursalment 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.

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.

Annexure 4

The existing Committee at Strides Shasun 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 4

SCHEDULE II PERFORMANCE MANAGEMENT

INTRODUCTION

Performance Management at Strides Shasun 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 and Executive Director

Step 2: Flow down of goals around Revenue and Growth Initiatives

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

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.

For and on behalf of the Board of Directors

Date: June 15, 2016
Place: Bengaluru

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman & Managing Director

Annexure 5

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, 2016	As on date of this Report, the Board comprises of 9 Directors comprising of 2 Executive Directors, 5 Independent Directors and 2 Non-Executive Directors. The appointment and remuneration of Executive Directors is by virtue of shareholder approval. Components of remuneration to the Executive Director is fixed in line with the Company's policies. 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. The ratio of remuneration of the Executive Directors, Mr. Arun Kumar and Mr. Abhaya Kumar to the median remuneration of the employees of the Company for the financial year ending March 31, 2016 is 171.43 and 107.14 respectively. <i>The median remuneration for the period under review is approx. ₹ 350,000 per annum.</i>																									
b.	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year ending March 31, 2016:																										
	<table border="1"> <thead> <tr> <th>#</th> <th>Particulars</th> <th>% Increase</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Arun Kumar Executive Vice Chairman and Managing Director</td> <td>33%</td> </tr> <tr> <td>2</td> <td>Abhaya Kumar Executive Director</td> <td>NA – Salary was revised post-merger effective November 19, 2015.</td> </tr> <tr> <td>3</td> <td>Badree Komandur Group CFO & CS</td> <td>15%</td> </tr> </tbody> </table>	#	Particulars	% Increase	1	Arun Kumar Executive Vice Chairman and Managing Director	33%	2	Abhaya Kumar Executive Director	NA – Salary was revised post-merger effective November 19, 2015.	3	Badree Komandur Group CFO & CS	15%														
#	Particulars	% Increase																									
1	Arun Kumar Executive Vice Chairman and Managing Director	33%																									
2	Abhaya Kumar Executive Director	NA – Salary was revised post-merger effective November 19, 2015.																									
3	Badree Komandur Group CFO & CS	15%																									
c.	The percentage increase in the median remuneration of employees in the financial year ending March 31, 2016	(12.50%) – pursuant to merger																									
d.	The number of permanent employees on the rolls of Company as at March 31, 2016	4,690 Employees																									
e.	The explanation on the relationship between average increase in remuneration and the Company's performance	On an average, employees received an annual increase of 12% in FY 2016. The individual increments varied from 5% to 25%, based on their performance. The increase in remuneration is in line with the market trends, internal parity and current salary of the employees. 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.																									
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 0.450% Remuneration of KMP as a percentage of PBT is 5.30% 																									
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:																										
	<table border="1"> <thead> <tr> <th>#</th> <th>Particulars (Standalone Financials)</th> <th>31-Mar-15</th> <th>31-Mar-16</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Stock Price (₹)</td> <td>1,179</td> <td>1,089</td> <td>(8.26%)</td> </tr> <tr> <td>2</td> <td>Market Cap (₹ Billion)</td> <td>70.26</td> <td>97.25</td> <td>38.41%</td> </tr> <tr> <td>3</td> <td>EPS</td> <td>88.99</td> <td>19.38</td> <td>(78.22%)</td> </tr> <tr> <td>4</td> <td>P/E</td> <td>13.3x</td> <td>56.2x</td> <td>-</td> </tr> </tbody> </table>	#	Particulars (Standalone Financials)	31-Mar-15	31-Mar-16	Change	1	Stock Price (₹)	1,179	1,089	(8.26%)	2	Market Cap (₹ Billion)	70.26	97.25	38.41%	3	EPS	88.99	19.38	(78.22%)	4	P/E	13.3x	56.2x	-	
#	Particulars (Standalone Financials)	31-Mar-15	31-Mar-16	Change																							
1	Stock Price (₹)	1,179	1,089	(8.26%)																							
2	Market Cap (₹ Billion)	70.26	97.25	38.41%																							
3	EPS	88.99	19.38	(78.22%)																							
4	P/E	13.3x	56.2x	-																							

Annexure 5

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 12%. However, the total increase was approximately 17%, after accounting for promotions and corrections. Based on industry benchmark data and considering that the last salary revision for the Managing Director was in FY 2015, 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:			
#	Particulars	Arun Kumar Executive Vice Chairman & Managing Director	Abhaya Kumar Executive Director	Badree Komandur Group CFO & CS
1	Remuneration in FY 2015-16	₹ 5,25,00,000	₹ 2,11,70,000	₹ 2,65,85,000*
2	Revenue	₹ 22,034.91 Million		
3	Remuneration of KMPs (as % of revenue)	0.24%	0.10%	0.12%
4	Profit After Tax (PAT)	₹ 1,610.72 Million		
5	Remuneration of KMP (as % of PAT)	3.26%	1.31%	1.65%
j	The key parameters for any variable component of remuneration availed by the directors:	The variable component of remuneration for the Executive Directors 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		

* Includes ₹ 78,75,000 paid/payable as incentive for the year under review.

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: June 15, 2016
Place: Bengaluru

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman & Managing Director

Annexure 6

Annual Report On Corporate Social Responsibility

Strides Shasun has assessed the needs in stakeholder community, separately for Bengaluru Operations and Chennai, Puducherry, Cuddalore (CPC) Operations, 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.

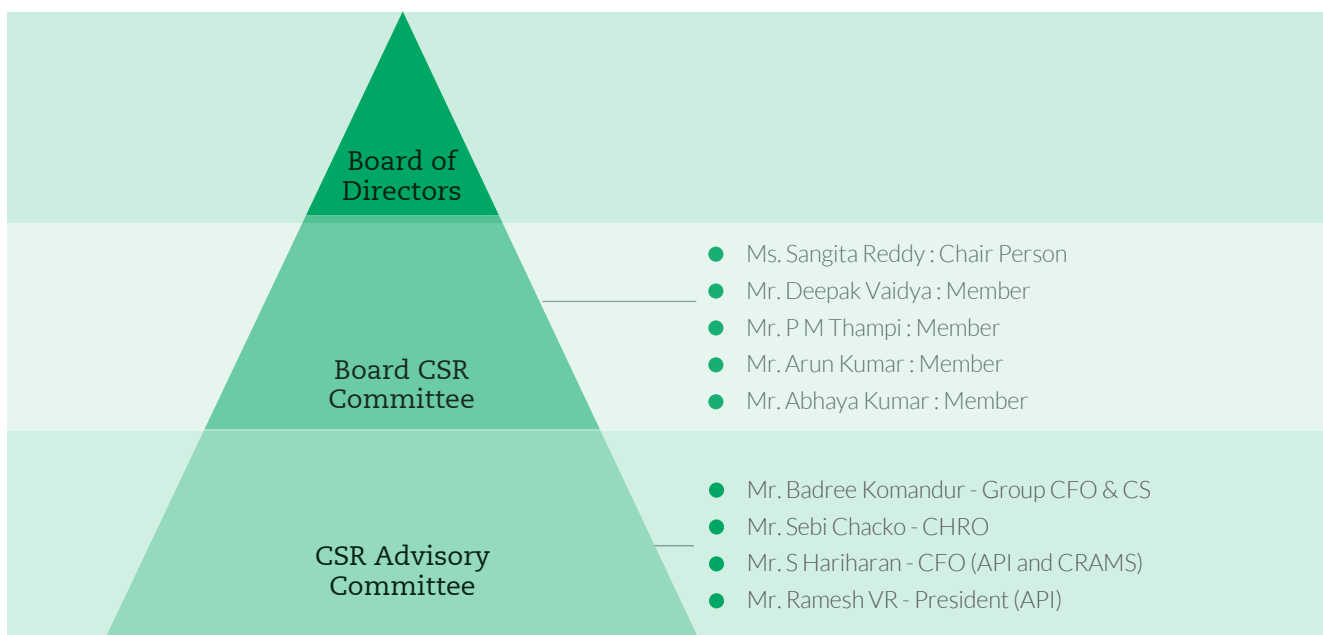
Strides Shasun proposes to continue investing in some of its existing CSR initiatives and plans to initiate new programs as deemed necessary. Such programs, both existing and the new ones, could be scaled up in future. Some of the areas in which we have invested includes:

1. Health & Hygiene
2. Education
3. Employability

Strides Shasun is committed to undertake implementation of 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 our CSR policy at: <http://www.stridesarco.com/investor-committeboard.html>

1. The CSR Governance Structure and its team members are:



2. Average net profit of the Company for last three financial years is:

Particulars	Amount (₹ In Million)
Strides Arcolab Limited	948.42
Shasun Pharmaceuticals Limited	329.17
Total	1,277.59

3. The prescribed CSR Expenditure, which is two per cent of the amount mentioned in item 2 above, is ₹ 25.55 Million for FY 2015-16

4. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

#	Particulars	Amount (₹ In Million)
1	Prescribed CSR expenditure for the year under review	25.55
2	Total spent during the year under review	42.38
3	Amount un-spent, if any	NIL

Annexure 6

5. MANNER IN WHICH THE AMOUNT SPENT DURING THE FINANCIAL YEAR ENDING MARCH 31, 2016 IS DETAILED BELOW:

1 #	2 CSR Projects Undertaken.	3 Location where CSR Projects undertaken	4 Amount outlay (budget) project wise (₹)	5 Amount spent on the projects (₹)			6 Amount spent: Direct or through implementing agency
				(1) Direct	(2) Overheads:	Cumulative expenditure upto to the reporting period	
HEALTH & HYGIENE							
1	Arogyadhama	Honnakalaspura, Suragajakkanahalli, Anekal taluk, Bangalore Dist, Karnataka	71,24,000	77,85,500	-	77,85,500	
2	Volunteering	Arogyadhama, local Government Schools, Suragajakkanahalli, Anekal taluk, Bangalore Dist, Karnataka	6,00,000	6,00,000	-	6,00,000	Implemented through Strides Foundation
3	RO Drinking Water setup	Suragajakkanahalli and Adoor, Suragajakkanahalli, Anekal taluk, Bangalore Dist, Karnataka	24,00,000	34,12,658	-	34,12,658	
4	Health & Sanitation - Waste management	Gowrenahalli, Suragajakkanahalli Panchayat, Anekal taluk, Bangalore Dist, Karnataka	5,00,000	9,79,100	-	9,79,100	
5	Dispensary in Puducherry / Medical Camp	Residents of Puducherry Village, Puducherry	22,00,000	22,00,000	-	22,00,000	Implemented through Shasun Foundation Trust
6	Water Supply	Water Supply for residents of Cuddalore, Tamil Nadu	16,50,000	16,50,000	-	16,50,000	Directly by the Company
7	Community Development	Supply of dust bins for residents of Cuddalore, Tamil Nadu	6,00,000	6,00,000	-	6,00,000	
EDUCATION							
8	LeAPS program	Haragadde Government School and Gottigere Government School, Bangalore Dist, Karnataka	15,00,000	15,00,000	-	15,00,000	
9	Infrastructure improvement	Government School and Anganwadi at Suragajakkanahalli, Anekal taluk, Bengaluru Dist, Karnataka	13,55,400	13,55,400	-	13,55,400	Implemented through Strides Foundation
10	Anganwadi	At Adoor, Suragajakkanahalli, Anekal taluk, Bengaluru Dist, Karnataka	10,50,000	10,50,000	-	10,50,000	
11	Sponsorship support	To an NGO working on training and education of social entrepreneurs - NGO operates in Bengaluru, Karnataka	20,00,000	15,00,000	-	15,00,000	
12	Sponsorship support	Education Support for eligible students - Hubli, Karnataka	-	73,00,000	-	73,00,000	Implemented through Strides Foundation and Company
13	Sponsorship support	Scholarship for Puducherry village students, Puducherry	20,50,000	2,07,000	-	2,07,000	
14	Sponsorship support	Contributions to an NGO working for betterment of students in Puducherry and Chennai	-	1,42,000	-	1,42,000	Directly by the Company
15	Stipend to Students from Tata Institute of Social Sciences	Students from Tata Institute of Social Sciences undergoing vocational training in Puducherry	-	22,46,234	-	22,46,234	

Annexure 6

1	2	3	4	5			6
#	CSR Projects Undertaken.	Location where CSR Projects undertaken	Amount outlay (budget) project wise (₹)	Amount spent on the projects (₹)			Amount spent: Direct or through implementing agency
				(1) Direct	(2) Overheads:	Cumulative expenditure upto to the reporting period	
Disaster Relief							
16	Flood Relief at Chennai, Puducherry and Cuddalore	Flood relief activities in Chennai, Puducherry and Cuddalore - Supply of food, food materials and flood relief materials	-	98,50,617	-	98,50,617	Implemented through Strides Foundation and Company
Total			2,30,29,400	4,23,78,509		4,23,78,509	

Brief on the projects undertaken during the year under review:

I Health & Hygiene

1. Arogyadhama - A modern state of the art Primary Health Centre (PHC)

Arogyadhama has catered to about 6000+ patients in the past year. The year 2015-16 saw the strengthening of Curative services along with the commencement of Preventive and Promotive services at Arogyadhama.

Arogyadhama with equipments like X-ray, tele ECG, laboratory, minor OT and out-patient facilities in General, Ophthalmology, Gynaecology, Paediatrics, Dental Treatments, Pharmacy and Day care facilities, has made a name in surrounding villages.

More than 600 Students from surrounding 11 Government Schools of Suragajakkanahalli and Haragadde Panchayat have undergone preventive health check up including General, Eye, ENT & Dental checkup under the preventive services.

Health care was Promoted via Dengue Awareness Program and around 500 students from Government Schools have been benefited. Also all Government schools under Suragajakkanahalli Panchayat were provided with First Aid Kits.

2. RO Drinking Water Units

With an aim to provide safe drinking water to the people of Suragajakkanahalli and Adoor, two (2) RO Drinking water plants were constructed.

These plants having 2000 Litres Per Hour capacity with RO & UV System will cater to about 3000 people.

3. Donation of Equipments

With an objective to cater to the Blood Component needs of thousands of people who are receiving the treatment, it was decided to donate "Blood Component Separation equipments" to Indira Gandhi Medical College & Research Institute, Puducherry. The list of equipments include

- 12 buckets
- 2 centrifuges
- 120 deep freezers
- Plasma agitator with Incubator
- Plasma bath
- Cryo bath
- Combo Scales

The Chief Minister of Puducherry, Mr. N. Rangaswamy, unveiled the equipments and in his address congratulated and appreciated the contribution of Strides Shasun in providing these equipments which are essential for establishing the Blood Bank and serving the community.

4. Dispensaries

Puducherry: Dispensary at Puducherry, with facilities like X-Ray / Lab Investigations etc caters to an average of 400 people every month. Special health camps were also organized this year to take care of the Ophthal / Dental / Dermatology needs of the people. Over 250 patients were screened for eye defects of which 13 were referred for Cataract Surgery and 123 were issued Eye glasses. About 200 patients were benefited out of the Derma camp.

Cuddalore: Dispensary at Cuddalore is functioning in collaboration with Mahatma Gandhi Medical College Hospital and caters to an average of 450 patients every month. Special health camps were arranged as part of flood relief works.

II Education

1. 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 LeAPS program, students are taught skills ranging from discipline, confidence and self-belief to social etiquette and creative careers.

In the year 2015 – 16, about 600 students have benefited from this program.

Annexure 6

2. Life Skill Education Programme

Life Skill Education recognizes the need to address the psychological and social needs of young people to help them to develop and grow into well-adjusted adults. Life Skills Education is a process of improving a person's abilities to deal effectively with the demands and challenges of everyday life. Life Skill training was given to the students studying in ninth standard at Government Boys and Girls school in Kalapet, Puducherry on 15-18 of February 2016. 255 Students benefited from this programme.

3. Cash award to deserving students

The best students from class 10th and 12th standards from schools located in Kalapet and other villages in Puducherry are selected and are given cash awards. In the last academic year 30 students were rewarded.

III Infrastructure Improvement

1. School at Suragajakkanahalli

Continuing our focus on Education, Health and Hygiene, we worked towards infrastructural improvement at the Government School in Suragajakkanahalli by constructing washroom block.

2 toilets each for boys and girls along with the Hand wash and 2 Toilets for Staff members along with wash basin were constructed and handed over on 28th March 2016.

2. Anganwadi

Renovation and refurbishing of Anganwadi at Suragajakkanahalli was taken up and the project was completed and handed over to the Child Development Project officer on 28th March 2016.

New Anganwadi facility is being built for the children of Adoor. The project work is in progress and is expected to complete by end of June 2016.

IV. Disaster Relief Management

The unprecedented rains in Tamilnadu and Puducherry resulted in loss of livelihood and extensive damage to crop and property. After the November floods, the priority was shifted to flood relief activities

Puducherry: 25 kgs rice bag each was distributed to 5400 families in the neighbouring villages - Kalapet, Chinnakalpet, Pillaichavadi and Kanagachettikulam.

Cuddalore: Immediate supply of cooked Food, Biscuits and water were given to the severely affected villages. Rice bags were distributed to 2000 families in surrounding 5 villages.

Chennai: Blankets & rice bags were provided to 350 families in Melakkotaiyur Village. 800 Blankets were issued in Velacherry area. Medicines were donated to IDMA

It is pertinent to mention here that the employees volunteered / joined hands in every relief work to make it a success

V. Livelihood

In Puducherry the fishermen were given support to repair their damaged fishing nets. 50 fishermen were supported under this programme.

6. IMPLEMENTATION AGENCIES

The Company's CSR activities are implemented through the Strides Foundation and Shasun Foundation. The trusts develops and implements Healthcare, Education and Infrastructure projects.

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 it will also help us to 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

Shasun Foundation

Shasun Foundation is a trust set up by the Promoters of erstwhile Shasun Pharmaceuticals Limited as a non-profit organization. The Trust is managed by 3 Trustees. The Managing Trustee is responsible for day-to-day administration of the Trust under the guidance of the Board.

7. RESPONSIBILITY STATEMENT

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

For and on behalf of the Board of Directors

Annexure 7

FORM NO. MGT-9
Extract of Annual Return

for the financial year ended on March 31, 2016

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

I. REGISTRATION AND OTHER DETAILS:

CIN	L24230MH1990PLC057062
Registration date	June 28, 1990
Name of the company	Strides Shasun Limited (formerly Strides Arcolab Limited)
Category/ Sub-Category of the company	Company Limited by shares / Non-Govt. Company
Address of the Registered office and contact details	201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400703 Telephone : 022 27892924/ 27892968; Fax: 022 27892942 Email: investors@stridesshasun.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 – 500032 Telephone : + 91 40 67161500 Fax: +91 40 23420814 Email id: raju.sv@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Pharmaceutical	21001 as per NIC 2008 code	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	Name of the Company	CIN	Holding/ Subsidiary /Associate/ JV	% of shares held	Applicable section
1	Akorn Strides LLC, USA	NA	JV	50%	2(6)
2	Alliance Pharmacy Pty Ltd., Australia (effective February 29, 2016)	NA	Subsidiary	51%	2(87)
3	Altima Innovations Inc., USA	NA	Subsidiary	100%	2(87)
4	African Pharmaceutical Development S.A., Cameroon	NA	Subsidiary	85%	2(87)
5	Arrow Pharma (Pvt) Ltd, Sri Lanka (formerly Lex Pharma Lanka (Pvt) Ltd) (Effective November 23, 2015)	NA	Subsidiary	95%	2(87)
6	Arrow Pharma Life Inc., Philippines (effective March 9, 2016)	NA	Subsidiary	95%	2(87)
7	Arrow Pharma Pte Ltd, Singapore (formerly Strides Remedies Pte Ltd) (effective August 11, 2015)	NA	Subsidiary	95%	2(87)
8	Arrow Pharma Pty Ltd., Australia (Strides (Australia) IP Pty Ltd) (Effective May 19, 2015)	NA	Subsidiary	100%	2(87)
9	Arrow Pharmaceuticals Pty Ltd., Australia (formerly Strides (Australia) Pharma Pty Ltd) (Effective May 19, 2015)	NA	Subsidiary	100%	2(87)

Annexure 7

S.No	Name of the Company	CIN	Holding/ Subsidiary /Associate/ JV	% of shares held	Applicable section
10	Arrow Remedies Private Limited, India (formerly Lex. Pharma Private Limited) (effective September 12, 2015)	U33111MH2015FTC268380	Subsidiary	95%	2(87)
11	Beltapharm S.p.A, Italy	NA	Subsidiary	96.57%	2(87)
12	Chemsynth Laboratories Private Limited, India (effective November 19, 2015)	U24297TG2009PTC064991	Subsidiary	49%	2(87)
13	Strides Shasun (UK) Limited (formerly Co Pharma, UK)	NA	Subsidiary	100%	2(87)
14	Congo Pharma, Congo	NA	Subsidiary	85%	
15	Fagris Medica Private Limited, India	U24230MH2008PTC271062	Subsidiary	90%	2(87)
16	Pharmacy Alliance Group Holdings Pty Ltd., Australia (effective February 29, 2016)	NA	Subsidiary	51%	2(87)
17	Pharmacy Alliance Investments Pty Ltd., Australia (effective December 24, 2015)	NA	Subsidiary	100%	2(87)
18	Pharmacy Alliance Pty Ltd., Australia (effective February 29, 2016)	NA	Subsidiary	51%	2(87)
19	Shasun NBI LLC, USA (effective November 19, 2015)	NA	JV	50%	2(6)
20	Shasun Pharma Solutions Inc., USA (effective November 19, 2015)	NA	Subsidiary	100%	2(87)
21	Shasun Pharma Solutions Limited, UK (effective November 19, 2015)	NA	Subsidiary	100%	2(87)
22	Shasun USA Inc., USA (effective November 19, 2015)	NA	Subsidiary	100%	2(87)
23	Sorepharm, Burkinofaso	NA	Subsidiary	80%	2(87)
24	SPC Co. Ltd, Sudan	NA	Subsidiary	51%	2(87)
25	Stabilis Pharma Inc., USA (effective November 19, 2015)	NA	Subsidiary	100%	2(87)
26	Stelis Biopharma (Malaysia) SDN. BHD, Malaysia	NA	Subsidiary	74.90%	2(87)
27	Stelis Biopharma Private Limited, India	U74140KA2007PTC043095	Subsidiary	74.90%	2(87)
28	Strides Africa, BVI	NA	Subsidiary	100%	2(87)
29	Strides Arcolab (Australia) Pty Ltd., Australia (effective April 29, 2015)	NA	Subsidiary	100%	2(87)
30	Strides Arcolab International Ltd., UK	NA	Subsidiary	100%	2(87)
31	Strides Biologix Private Limited, India (effective October 12, 2015)	U24230KA2015PTC083357	Subsidiary	51%	2(87)
32	Strides CIS Ltd., Cyprus	NA	Subsidiary	100%	2(87)
33	Strides Emerging Markets Private Limited, India	U24132KA2012PTC064214	Subsidiary	100%	2(87)
34	Strides Healthcare Private Limited, India	U24211KA2013PTC069731	Subsidiary	74%	2(87)
35	Strides Pharma (Cyprus) Limited, Cyprus	NA	Subsidiary	100%	2(87)
36	Strides Pharma (SA) (Pty) Ltd	NA	Subsidiary	100%	2(87)
37	Strides Pharma (UK) Ltd, UK (effective July 29, 2015)	NA	Subsidiary	100%	2(87)
38	Strides Pharma Asia Pte Ltd., Singapore	NA	Subsidiary	100%	2(87)
39	Strides Pharma Botswana (Pty) Ltd	NA	Subsidiary	70%	2(87)
40	Strides Pharma Cameroon Limited	NA	Subsidiary	85%	2(87)
41	Strides Pharma Global Pte Limited, Singapore	NA	Subsidiary	100%	2(87)
42	Strides Pharma Inc., USA	NA	Subsidiary	100%	2(87)
43	Strides Pharma International Limited, Cyprus	NA	Subsidiary	100%	2(87)
44	Strides Pharma Limited, Cyprus	NA	Subsidiary	100%	2(87)
45	Strides Pharma Mozambique, SA	NA	Subsidiary	51%	2(87)
46	Strides Pharma, Namibia	NA	Subsidiary	70%	2(87)
47	Strides Specialties (Holdings) Ltd., Mauritius	NA	Subsidiary	100%	2(87)
48	Strides Vital, Nigeria	NA	Subsidiary	74%	2(87)
49	SVADS Holdings SA, Switzerland (effective November 19, 2015)	NA	Subsidiary	100%	2(87)

Annexure 7

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, 2015				No. of Shares held at the end of the year March 31, 2016				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
Individual/ HUF	33,87,326	-	33,87,326	5.68	84,59,167	-	84,59,167	9.47	3.79
Central Government	-	-	-	-	-	-	-	-	-
State Government	-	-	-	-	-	-	-	-	-
Bodies Corporate	1,30,96,876	-	1,30,96,876	21.97	1,93,67,017	-	1,93,67,017	21.68	(0.29)
Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	1,64,84,202	-	1,64,84,202	27.65	2,78,26,184	-	2,78,26,184	31.14	3.49
(2) Foreign									
NRI's - Individuals	-	-	-	-	-	-	-	-	-
Other - Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	1,64,84,202	-	1,64,84,202	27.65	2,78,26,184	-	2,78,26,184	31.14	3.49
(B) Public Shareholding									
(1) Institutions									
Mutual Funds/UTI	65,55,776	162	65,55,938	11.00	82,95,615	630	82,96,245	9.29	(1.71)
Banks/ Financial Institutions	80,824	426	81,250	0.14	2,18,316	1,051	2,19,367	0.25	0.11
Central Government	-	-	-	-	-	-	-	-	-
State Government	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	9,970	-	9,970	0.02	7,59,492	-	7,59,492	0.85	0.83
FII's/ FPI's	2,07,59,103	-	2,07,59,103	34.82	3,06,19,824	-	3,06,19,824	34.27	(0.55)
Foreign Venture Capital Funds	-	-	-	-	20,55,920	-	20,55,920	2.30	2.30
Sub Total (B)(1)	2,74,05,673	588	2,74,06,261	45.97	4,19,49,167	1,681	4,19,50,848	46.95	0.98
(2) Non Institutions									
(a) Bodies Corporate	31,99,453	3,002	32,02,455	5.37	33,58,255	9,940	33,68,195	3.77	(1.60)
(b) Individuals									
(i) Individuals shareholders holding nominal share capital upto ₹ 1 Lakh	49,69,255	1,37,369	51,06,624	8.57	66,50,299	2,94,626	69,44,925	7.77	(0.79)
(ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 Lakh	46,23,800	-	46,23,800	7.76	58,15,681	-	58,15,681	6.51	(1.25)
(c) Others Specify									
(ci) Non Resident Indians	18,83,844	43,761	19,27,605	3.23	20,36,519	41,157	20,77,676	2.33	(0.91)
(cii)HUF	2,06,630	-	2,06,630	0.35	3,23,165	-	3,23,165	0.36	0.01
(ciii)Directors	3,25,750	-	3,25,750	0.55	3,50,750	-	3,50,750	0.39	(0.15)
(civ)Trust	1,475	-	1,475	-	2,757	-	2,757	-	-
(cv)Clearing Members	2,29,819	-	2,29,819	0.39	2,00,005	-	2,00,005	0.22	(0.16)
(cvi) Foreign Nationals	80,000	-	80,000	0.13	1,40,138	-	1,40,138	0.16	0.02
(cvii) Foreign Co./ Overseas Corporate Bodies	21,000	-	21,000	0.04	21,000	-	21,000	0.02	(0.01)

Annexure 7

Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2015				No. of Shares held at the end of the year March 31, 2016				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(cviii)NBFCs registered with RBI	-	-	-	-	3,24,654	-	3,24,654	0.36	0.36
Sub Total (B2)	1,55,41,026	1,84,132	1,57,25,158	26.38	1,92,23,223	3,45,723	1,95,68,946	21.90	(4.48)
Total Public Shareholding B=(B)(1)+(B)(2)	4,29,46,699	1,84,720	4,31,31,419	72.35	6,11,72,390	3,47,404	6,15,19,794	68.86	(3.49)
(C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total(A+B+C)	5,94,30,901	1,84,720	5,96,15,621	100.00	8,89,98,574	3,47,404	8,93,45,978	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year April 1, 2015			Shareholding at the end of the year March 31, 2016			% 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	Abhaya Kumar*	NA	NA	NA	4,19,843	0.47	0.43	0.47
2	Abhaya Kumar – HUF*	NA	NA	NA	34,140	0.04	-	0.04
3	Aditya Arun Kumar	2,00,000	0.34	-	2,00,000	0.22	-	(0.12)
4	Arun Kumar Pillai	6,70,797	1.13	-	6,70,797	0.75	-	(0.38)
5	Chaitanya D*	NA	NA	NA	3,31,988	0.37	-	0.37
6	Deepa Arun Kumar	2,01,000	0.34	-	2,01,000	0.22	-	(0.12)
7	Deepak Abhaya Kumar *	NA	NA	NA	4,10,812	0.46	0.43	0.46
8	Devendra Kumar S *	NA	NA	NA	1,41,272	0.16	0.15	0.16
9	Gayatri Nair	33,000	0.06	-	33,000	0.04	-	(0.02)
10	Hemalatha Pillai	48,000	0.08	-	48,000	0.05	-	(0.03)
11	Jatin V*	300**	-	-	2,59,283	0.29	-	0.29
12	Jitesh D*	NA	NA	NA	3,64,125	0.41	-	0.41
13	K R Lakshmi	130,365	0.22	-	1,30,365	0.15	-	(0.07)
14	K R Ravishankar	12,35,906	2.07	-	12,55,593	1.41	-	(0.66)
15	Lakshmi Gopalakrishnan	50,000	0.08	-	50,000	0.06	-	(0.02)
16	Leela V*	600**	-	-	4,75,358	0.53	-	0.53
17	Mayur Abhaya *	NA	NA	NA	4,03,143	0.45	0.06	0.45
18	Monisha Nitin *	NA	NA	NA	93,750	0.10	-	0.10
19	Nitin Kumar V *	NA	NA	NA	2,96,255	0.33	-	0.33
20	Padmakumar Karunakaran Pillai	1,71,485	0.29	-	1,71,485	0.19	-	(0.10)
21	Pooja Jitesh *	NA	NA	NA	93,750	0.10	-	0.10
22	Purushothaman Pillai G	33,013	0.06	-	33,013	0.04	-	(0.02)
23	Rahul Nair	20,000	0.03	-	20,000	0.02	-	(0.01)
24	Rajeswari Amma	93,760	0.16	-	93,760	0.10	-	(0.06)
25	Rajitha Gopalakrishnan	45,000	0.08	-	45,000	0.05	-	(0.03)
26	Rupali Jatin *	NA	NA	NA	1,32,812	0.15	-	0.15
27	Sajitha Pillai	80,000	0.13	-	80,000	0.09	-	(0.04)
28	Sajjan D *	NA	NA	NA	2,57,200	0.29	-	0.29
29	Suchi Chaitanya Srisimal *	NA	NA	NA	93,750	0.10	-	0.10
30	Tarini Arun Kumar	2,00,000	0.34	-	2,00,000	0.22	-	(0.12)
31	Taru Mayur *	NA	NA	NA	93,750	0.10	-	0.10
32	Usha A *	NA	NA	NA	4,19,845	0.47	0.47	0.47
33	V. Jatin (HUF) *	NA	NA	NA	408	-	-	-
34	V. Nitin Kumar (HUF) *	NA	NA	NA	500	-	-	-
35	Vimal Kumar S - HUF *	1,096**	-	NA	1,15,158	0.13	-	0.13
36	Vimal Kumar S *	300**	-	-	6,15,012	0.69	-	0.69

Annexure 7

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year April 1, 2015			Shareholding at the end of the year March 31, 2016			% 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	
37	Vineetha Mohanakumar Pillai	1,75,000	0.29	-	1,75,000	0.20	-	(0.09)
38	Agnus Capital LLP	20,000	0.03	-	20,000	0.02	-	(0.01)
39	Agnus Holdings Pvt Ltd	1,20,816	0.20	-	1,20,816	0.14	-	(0.06)
40	Ambemata Securities*	NA	NA	NA	4,81,660	0.54	-	0.54
41	Chayadeep Properties Private Limited	2,61,060	0.44	-	3,61,060	0.40	-	(0.04)
42	Devendra Estates Private Limited *	NA	NA	NA	9,23,953	1.03	-	1.03
43	Pronomz Ventures LLP	1,26,65,000	21.24	-	1,26,65,000	14.18	-	(7.06)
44	Sequent Scientific Limited *	NA	NA	NA	33,12,500	3.71	-	3.71
45	Shasun Leasing and Finance (P) Limited *	NA	NA	NA	14,46,091	1.62	-	1.62
46	Triumph Venture Holdings LLP	30,000	0.05	-	35,937	0.04	-	(0.01)
	Total	1,64,86,498	27.65	-	2,78,26,184	31.14	1.54	3.49

* Became part of the Promoter Group pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited (now known as Strides Shasun Limited). Share exchange ratio: 5 shares of Strides for every 16 shares held in Shasun Pharmaceuticals.

** Holding shares prior to Merger under Public category.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No	Shareholder's Name	Shareholding Details		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Pronomz Ventures LLP				
	At the beginning of the year 1 April, 2015	1,26,65,000	21.24	1,26,65,000	21.24
	At the End of the year			1,26,65,000	14.18
2	Sequent Scientific Limited				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 Nov 15	33,12,500	4.11	33,12,500	4.11
	At the End of the year			33,12,500	3.71
3	Shasun Leasing And Finance (P) Limited				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 Nov 15	14,46,091	1.79	14,46,091	1.79
	At the End of the year			14,46,091	1.62
4	K R Ravishankar				
	At the beginning of the year 1 April, 2015	12,35,906	2.07	12,35,906	2.07
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 Nov 15	19,687	0.02	12,55,593	1.56
	At the End of the year			12,55,593	1.41

Annexure 7

Sl. No	Shareholder's Name	Shareholding Details		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Devendra Estates Private Limited				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	9,23,953	1.15	9,23,953	1.15
	At the End of the year			9,23,953	1.03
6	Arun Kumar				
	At the beginning of the year 1 April, 2015	6,70,797	1.13	6,70,797	1.13
	At the End of the year			6,70,797	0.75
7	Vimal Kumar S				
	At the beginning of the year 1 April, 2015	300	-	300	0
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	6,14,712	0.76	6,15,012	0.76
	At the End of the year			6,15,012	0.69
8	Chayadeep Properties Private Ltd				
	At the beginning of the year 1 April, 2015	2,61,060	0.44	2,61,060	0.44
	Add: Market Purchase on 16 February, 2016	1,00,000	0.12	3,61,060	0.45
	At the End of the year			3,61,060	0.40
9	Ambemata Securities				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	4,81,660	0.60	4,81,660	0.60
	At the End of the year			4,81,660	0.54
10	Leela V				
	At the beginning of the year 1 April, 2015	600	-	600	-
	Add: Market Purchase on 7 August, 2015	270	-	870	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	4,74,488	0.59	4,75,358	0.59
	At the End of the year			4,75,358	0.53
11	Usha A				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	4,19,845	0.52	4,19,845	0.52
	At the End of the year			4,19,845	0.47
12	Abhaya Kumar				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	4,19,843	0.52	4,19,843	0.52
	At the End of the year			4,19,843	0.47
13	Deepak Abhaya Kumar				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	4,10,812	0.51	4,10,812	0.51
	At the End of the year			4,10,812	0.46

Annexure 7

Sl. No	Shareholder's Name	Shareholding Details		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
14	Mayur Abhaya				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	4,03,143	0.50	4,03,143	0.50
	At the End of the year			4,03,143	0.45
15	Jitesh D				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	3,64,125	0.45	3,64,125	0.45
	At the End of the year			3,64,125	0.41
16	Chaitanya D				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	3,31,988	0.41	3,31,988	0.41
	At the End of the year			3,31,988	0.37
17	Nitin Kumar V				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	2,96,255	0.37	2,96,255	0.37
	At the End of the year			2,96,255	0.33
18	Jatin V				
	At the beginning of the year 1 April, 2015	300	-	300	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	2,58,983	0.32	2,59,283	0.32
	At the End of the year			2,59,283	0.29
19	Sajjan D				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	2,57,200	0.32	2,57,200	0.32
	At the End of the year			2,57,200	0.29
20	Deepa Arun Kumar				
	At the beginning of the year 1 April, 2015	2,01,000	0.34	2,01,000	0.34
	At the End of the year			2,01,000	0.22
21	Aditya Arun Kumar				
	At the beginning of the year 1 April, 2015	2,00,000	0.34	2,00,000	0.34
	At the End of the year			2,00,000	0.22
22	Tarini Arun Kumar				
	At the beginning of the year 1 April, 2015	2,00,000	0.34	2,00,000	0.34
	At the End of the year			2,00,000	0.22
23	Vineetha Mohanakumar Pillai				
	At the beginning of the year 1 April, 2015	1,75,000	0.29	1,75,000	0.29
	At the End of the year			1,75,000	0.20
24	Padmakumar Karunakaran Pillai				
	At the beginning of the year 1 April, 2015	1,71,485	0.29	1,71,485	0.29
	At the End of the year			1,71,485	0.19

Annexure 7

Sl. No	Shareholder's Name	Shareholding Details		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
25	Devendra Kumar S				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	1,41,272	0.18	1,41,272	0.18
	At the End of the year			1,41,272	0.16
26	Rupali Jatin				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	1,32,812	0.16	1,32,812	0.16
	At the End of the year			1,32,812	0.15
27	K R Lakshmi				
	At the beginning of the year 1 April, 2015	1,30,365	0.22	1,30,365	0.22
	At the End of the year			1,30,365	0.15
28	Agnus Holdings Pvt Ltd				
	At the beginning of the year 1 April, 2015	1,20,816	0.20	1,20,816	0.20
	At the End of the year			1,20,816	0.14
29	Vimal Kumar S - HUF				
	At the beginning of the year 1 April, 2015	1,096	-	1,096	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	1,14,062	0.14	1,15,158	0.14
	At the End of the year			1,15,158	0.13
30	Rajeswari Amma				
	At the beginning of the year 1 April, 2015	93,760	0.16	93,760	0.16
	At the End of the year			93,760	0.10
31	Pooja Jitesh				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	93,750	0.12	93,750	0.12
	At the End of the year			93,750	0.10
32	Taru Mayur				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	93,750	0.12	93,750	0.12
	At the End of the year			93,750	0.10
33	Monisha Nitin				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	93,750	0.12	93,750	0.12
	At the End of the year			93,750	0.10
34	Suchi Chaitanya Srisrimal				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	93,750	0.12	93,750	0.12
	At the End of the year			93,750	0.10
35	Sajitha Pillai				
	At the beginning of the year 1 April, 2015	80,000	0.13	80,000	0.13
	At the End of the year			80,000	0.09

Annexure 7

Sl. No	Shareholder's Name	Shareholding Details		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
36	Lakshmi Gopalakrishnan				
	At the beginning of the year 1 April, 2015	50,000	0.08	50,000	0.08
	At the End of the year			50,000	0.06
37	Hemalatha Pillai				
	At the beginning of the year 1 April, 2015	48,000	0.08	48,000	0.08
	At the End of the year			48,000	0.05
38	Rajitha Gopalakrishnan				
	At the beginning of the year 1 April, 2015	45,000	0.08	45,000	0.08
	At the End of the year			45,000	0.05
39	Abhaya Kumar - HUF				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	34,140	0.04	34,140	0.04
	At the End of the year			34,140	0.04
40	Purushothaman Pillai G				
	At the beginning of the year 1 April, 2015	33,013	0.06	33,013	0.06
	At the End of the year			33,013	0.04
41	Gayatri Nair				
	At the beginning of the year 1 April, 2015	33,000	0.06	33,000	0.06
	At the End of the year			33,000	0.04
42	Triumph Venture Holdings LLP				
	At the beginning of the year 1 April, 2015	30,000	0.05	30,000	0.05
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	5,937	-	35,937	0.04
	At the End of the year			35,937	0.04
43	Agnus Capital LLP				
	At the beginning of the year 1 April, 2015	20,000	0.03	20,000	0.03
	At the End of the year			20,000	0.02
44	Rahul Nair				
	At the beginning of the year 1 April, 2015	20,000	0.03	20,000	0.03
	At the End of the year			20,000	0.02
45	V. Nitin Kumar (HUF)				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	500	-	500	-
	At the End of the year			500	-
46	V. Jatin (HUF)				
	At the beginning of the year 1 April, 2015	-	-	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 November, 2015	408	-	408	-
	At the End of the year			408	-

Annexure 7

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

Sl.No	Name of Shareholder	Shareholding at the beginning of the year April 1, 2015		Cumulative Shareholding during the year as at March 31, 2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DB International (Asia) Ltd	39,63,972	6.65	43,47,357	4.87
2	Morgan Stanley Asia (Singapore) Pte	25,38,328	4.26	27,29,648	3.06
3	Satpal Khattar	15,60,032	2.62	15,60,032	2.62
4	Goldman Sachs Investments (Mauritius) I Ltd	13,21,823	2.22	8,00,228	0.90
5	Laxmi Shivanand Mankekar	13,06,678	2.19	11,59,178	1.30
6	TATA Balanced Fund	11,92,666	2.00	-	-
7	SBI Magnum Midcap Fund	11,24,081	1.89	-	-
8	HDFC Trustee Company Ltd - A/C HDFC Mid - GAP OPP FUND	10,22,216	1.71	-	-
9	Max Life Insurance Company Limited A/C - ULIF0012	9,92,918	1.67	-	-
10	Credit Suisse (Singapore) Limited	9,41,488	1.58	-	-

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

(v) Shareholding of Directors and Key Managerial Personnel

Sl.No	Name of the Director / KMP	Shareholding at the beginning of the year April 1, 2015		Cumulative Shareholding during the year as at March 31, 2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Arun Kumar				
	At the beginning of the year	6,70,797	1.13	6,70,797	1.13
	At the End of the year			6,70,797	0.75
2	Abhaya Kumar*				
	At the beginning of the year	NA	NA	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 Nov 15	4,19,843	0.52	4,19,843	0.52
	At the End of the year			4,19,843	0.47
3	Deepak Vaidya				
	At the beginning of the year	1,50,000	0.25	-	-
	Add: Allotment pursuant to merger of Shasun Pharmaceuticals with Strides Arcolab Limited – 20 Nov 15	24,015	0.03	1,74,015	0.22
	Add: Market Purchase on Feb 17, 2016	985	-	1,75,000	0.20
	At the End of the year			1,75,000	0.20
4	M R Umarji				
	At the beginning of the year	14,000	0.02	14,000	0.02
	At the End of the year	-	-	14,000	0.02
5	Sridhar S				
	At the beginning of the year	48,750	0.08	48,750	0.08
	At the End of the year			48,750	0.05
6	A K Nair				
	At the beginning of the year	25,000	0.04	25,000	0.04
	Less: Sale on April 1, 2015	1,335	-	23,665	0.04
	Less: Sale on April 6, 2015	3,665	-	20,000	0.03
	At the End of the year			20,000	0.02

Annexure 7

Sl.No	Name of the Director / KMP	Shareholding at the beginning of the year April 1, 2015		Cumulative Shareholding during the year as at March 31, 2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	P M Thampi				
	At the beginning of the year	58,000	0.10	58,000	0.10
	Add : Shares allotted pursuant to Merger of Shasun Pharmaceuticals Ltd on Nov 20, 2015	5,000	0.01	63,000	0.08
	At the End of the year			63,000	0.07
8	Sangita Reddy				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
9	Bharat Shah				
	At the beginning of the year	30,000	0.05	30,000	0.05
	At the End of the year			30,000	0.03
10	Badree Komandur – Group CFO & CS				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

* Mr. Abhaya Kumar was appointed on Board of the Company w.e.f. November 19, 2015

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as at March 31, 2016

Particulars	Secured Loans excluding deposits (₹)	Unsecured Loans (₹)	Deposits (₹)	Total Indebtedness (₹)
Indebtedness at the beginning of the financial year				
(i) Principal Amount	4,04,80,48,614	-	-	4,04,80,48,614
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	2,57,15,064	-	-	2,57,15,064
Total (i+ii+iii)	4,07,37,63,678	-	-	4,07,37,63,678
Change in Indebtedness during the financial year				
Addition	8,19,81,34,277	-	-	8,19,81,34,277
Add: Pursuant to scheme of Amalgamation	5,85,68,37,377	52,22,378	-	5,86,20,59,755
Reduction	(2,86,26,35,107)	(33,63,171)	-	(2,86,59,98,278)
Working capital loans (net)	24,60,98,550	-	-	24,60,98,550
Exchange loss / (gain)	8,96,89,449	-	-	8,96,89,449
Net Change	11,52,81,24,547	18,59,207	-	11,52,99,83,754
Indebtedness at the end of the financial year				
(i) Principal Amount	15,57,61,73,161	18,59,207	-	15,57,80,32,368
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	9,34,04,874	-	-	9,34,04,874
Total (i+ii+iii)	15,66,95,78,035	18,59,207	-	15,67,14,37,242

Annexure 7

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

#	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Arun Kumar (Managing Director)	Abhaya Kumar (Executive Director)	
1	Gross Salary			
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	₹ 3,85,31,200	₹ 1,59,51,210	₹ 5,44,82,410
	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	As % of profit	-	-	-
	Others, pls specify			
5	Others – Bonus	₹ 1,25,00,000	₹ 38,00,000	₹ 1,63,00,000
	Total (A)	₹ 5,10,31,200	₹ 1,97,51,210	₹ 7,07,82,410
	Ceiling as per the Act for Managing Directors/ Whole-time Directors	₹ 13,96,17,340 (being 10% of the net profit calculated under Section 198 of the Companies Act 2013)		

* Excludes Company's contribution towards PF

B. Remuneration to other directors

#	Particulars of Remuneration	Name of Directors				Total Amount (₹)
		Sridhar.S	A.K Nair	P.M Thampi	Sangita Reddy	
1	Independent Directors					
	Fees for attending Board & Committee meetings	₹ 4,50,000	₹ 4,50,000	₹ 3,00,000	₹ 1,00,000	₹ 13,00,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	₹ 4,50,000	₹ 4,50,000	₹ 3,00,000	₹ 1,00,000	₹ 13,00,000
2	Other Non-Executive Directors	Deepak Vaidya	M.R Umarji	Bharat Shah	-	-
	Fees for attending Board & Committee meetings	₹ 4,50,000	₹ 4,00,000	₹ 3,50,000	-	₹ 12,00,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	₹ 4,50,000	₹ 4,00,000	₹ 3,50,000	-	₹ 12,00,000
	Total (B) = (1)+(2)	₹ 9,00,000	₹ 8,50,000	₹ 6,50,000	-	₹ 25,00,000
	Overall ceiling as per the Act for Non-Executive Directors	₹ 1,39,61,734 (being 1% of the net profit calculated under section 198 of the Companies Act, 2013)				
	Total Managerial Remuneration for Managing Director/ Whole-time Directors and other Directors (A+B)					₹ 7,32,82,410

Annexure 7

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

#	Particulars of Remuneration	Key Managerial Personnel Badree Komandur Group CFO & CS	Total Amount
1	Gross Salary		
	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	₹ 1,58,60,000	₹ 1,58,60,000
	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 - Bonus	₹ 1,01,25,000	₹ 1,01,25,000
	Total	₹ 2,59,85,000	₹ 2,59,85,000

* Excludes Company's contribution towards PF

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

For and on behalf of the Board of Directors

Date: June 15, 2016
Place: Bengaluru

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman & Managing Director

Annexure 8

Particulars on Energy Conservation and Technology Absorption

(A) Conservation of Energy

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

- a) 42,725 kl of process water treated by waste water treatment plant and reused for garden/ lawn inside the plant premises across all sites in India.
- b) 7,350 kl of water recycled from steam condensate and reused for steam generation across all sites in India.
- c) 6,765 kl rain water collected and recharged to improve the ground water table across all sites in India.
- d) Additional 1,500 kl rain water harvesting facility created to improve the collecting and recharging capacity at the Finished Dosage Facility in Puducherry.
- e) Replacement of 1,115 TFL/CFL and 310 SVL with energy efficient LED lights resulted in saving of about 236,000 KWH across all sites
- f) Fully automatic, high efficiency boiler commissioned at the API facility in Cuddalore has resulted in reducing the consumption of bio mass briquettes to the tune of 19%.
- g) Installation of variable frequency drives resulted in energy saving of 158,000 KWH per annum at the API facility in Puducherry.

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

- a) Utilisation of 14.6 MU renewable energy resulted in 7,666 MT CO₂ emissions reduction across all sites.
- b) Utilised Indian Energy Exchange Limited and Power Exchange India Limited as the alternate energy sources and consumed 5 MU across all sites in India.

(B) Technology absorption:

(i) The efforts made towards technology absorption

At Oral Dosage Facility – Bengaluru

- a) High speed machine for liquid filling in Hard gelatin capsules with 100% online checkweigher commissioned for improved compliance and performance .

- b) New Ointment, Liquid and Topical block commissioned to manufacture new dosage forms of ointments and liquids in tubes, sachets and bottles.
- c) High speed Bulk packing line-02 upgraded to handle automatic cotton and desiccant insertion.
- d) High speed compression machine upgraded to manufacture Bi-Layer tablets .
- e) Wooqer, an IT enabled platform, implemented in EHS and Engineering function for improved tracking and compliance.
- f) One set of cubicles comprising Granulation, Compression, Blending and packing upgraded to manufacture and pack high moisture sensitive products requiring < 30% RH
- g) 24 kl capacity Class - A solvent store complying to Petroleum and Explosives Safety Organization standards created to facilitate safe solvent storage and handling of highly inflammable solvents
- h) 11 high performance liquid chromatography machines, 2 gas chromatography machines, 2 CAD detectors installed in Quality control to ensure a better quality inspection of products.
- i) Additional 120 M³ capacity cold room created in Raw material warehouse for cold chain products storage

At Oral Dosage facility – Puducherry

- a) High speed hard gelatine capsule filler with 100% online checkweigher commissioned for improved performance and compliance
- b) Fully Integrated Granulation suite commissioned
- c) Fully integrated High Speed Blister line Commissioned
- d) Unique tablet compression for the Tri-layer tablets Commissioned
- e) Higher Capacity Wurster coating facility commissioned

Annexure 8

- f) Higher Capacity Drug layering facility commissioned
- g) Upgraded two Blister packing lines to pack high moisture sensitive products requiring < 30% RH

At API facility – Cuddalore

- a) Bottom discharge centrifuges have been replaced with PEELER centrifuges for Gabapentine production
- b) Double mechanical seal has been replaced with Magnetic seals in Hydrogenation reactor.

(ii) Product Improvement & Technology

Absorption:

- 1) 5 products from the existing lots which were giving less productivity and in turn creating road block for smooth deliveries due to efficiency and quality compliance are now improved and made more robust. This has helped in achieving a decent improvement of their performance.
- 2) Identification of products which requires correction for making them more robust are taken as a separate initiative under the Product Robustness Drive.
- 3) Oxybutynin tablets – Business is supported with alternate vendor development for excipient grade Lactitol mono hydrate DC as existing vendor has intimated about stopping supply of the materials.
- 4) Product improvement achieved in anti-Malarial product AL80/480 mg – Technically product made robust by moving from conventional machine to high speed compression imported machine – Fette, from Germany.

The equipment has certain special features, which is enumerated below, that allows it to handle low melting point molecules like antimalarial products. This feature has helped us to avoid problems like less yield, less productivity due to nature of molecule sticking in tablet surface and frequent stoppage of the machine due to cleaning of machine tooling. The product has improved 5 folds its productivity due to this intervention.

Special features of the Fette machine:

- Machine turret cooling mechanism.

- Special lubricant spraying system at each compression station every rotation during compression integrated with machine to avoid sticking.
- Servo motor to avoid generation of heat from machine.

- 5) Product improvement is achieved in ARV product – Efavirenz 600 mg, Emetricitabine 200 mg & Tenofovir 300 mg Disoproxil Fumarate film coated tablets as the manufacturing of the same has been shifted from manual compression machine to high speed compression imported machine – Fette, from Germany.

This product is difficult to make and requires special manufacturing skills, technology as it is double layer tablet. The consistency in productivity and quality performance with assurance is achieved with introduction of high end compression machine. The productivity is improved 3 folds with unmatched quality assurance in this product with this intervention.

- 6) The Hard gelatine dosage form productivity is improved 2 folds by introducing high speed automatic capsules filling machine – PAM, from Germany. 3 high volume products are validated in new PAM make – ZRO-filling machine and enhanced hard gel capsules manufacturing capability.
- 7) High automated special technology liquid filling in hard gelatine capsule from Bosch has replaced the existing less automated machines which in turn has added high consistent quality product of Vancomycin capsules 125 mg & 250 mg.
- 8) The productivity improvement is achieved by carrying out about 25 batch size changes and 21 source changes.
- 9) The products are validated with alternate equivalent equipments in 12 products to accommodate the business requirement and there by achieve customer satisfaction.

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

1. Bosch–Germany High speed machine for liquid filling in Hard gelatin capsules with 100% online checkweigher commissioned for improved compliance and performance

Annexure 8

2. Agilent and 11 High performance liquid chromatography machines, 2 gas chromatography machines, 2 CAD detectors, all imported from USA are installed in Quality control to ensure a better quality inspection of products.

3. Fully integrated High Speed Blister line from CAM –Italy Commissioned

All the above imported equipments are commissioned in the last year and the technologies are successfully absorbed.

Expenditure on R&D:

Particulars	₹ In Million	
	Year ended March 31, 2016	Year ended March 31, 2015
Capital	406.27	96.00
Revenue	909.00	360.61
Total	1,315.28	456.61

Total Foreign Exchange Earned and Used

Particulars	₹ In Million
	Year ended March 31, 2016
Foreign exchange earned in terms of actual inflows	19,406.17
Foreign exchange outgo in terms of actual outflows	11,954.78

For and on behalf of the Board of Directors

Date: June 15, 2016
Place: Bengaluru

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman & Managing Director

Annexure 9

FORM NO. MR-3 Secretarial Audit Report

For the financial year ended 31st March 2016

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

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

Regd. Office:

201, Devavrata, Sector 17
Vashi, Navi Mumbai – 400 703
Maharashtra

Corporate Office:

Strides House, Bilekahalli
Bannerghatta Road
Bengaluru – 560 076
Karnataka.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Strides Shasun Limited (formerly 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 2016 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 Shasun Limited for the financial year ended on 31st March 2016 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 there under 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, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - 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.
6. Industry specific Laws as 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)

Annexure 9

- 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 BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India.

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

We further state that, during the period under review and based on our verification of the records maintained by the Company and also on review of compliance reports/statements by the respective department heads/Chief Financial Officer/Company secretary taken on record by the Board of Directors of the company, in our opinion, adequate systems and processes and control mechanism exist in the company to monitor and ensure compliances with applicable industry specific laws, labour laws, intellectual property laws and 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 during the audit period:

- a) the Company has completed placement of equity shares through Qualified Institutional Placement during the year under review. However, the Company has not issued any debentures/sweat equity.
- b) the Company has not undertaken redemption/buy-back of securities
- c) the Company has undertaken decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013, through postal ballot.
- d) the Company has not undertaken any foreign technical collaborations

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

Gopalakrishnaraj H H
Proprietor

Date: May 10, 2016
Place: Bengaluru

FCS: 5654; CP: 4152

Annexure 9

ANNEXURE TO OUR SECRETARIAL AUDIT REPORT

The Members,
Strides Shasun Limited
(formerly Strides Arcolab Limited)
CIN: L24230MH1990PLC057062

Regd. Office:

201, Devavrata, Sector 17
Vashi, Navi Mumbai – 400 703
Maharashtra

Corporate Office:

Strides House, Bilekahalli
Bannerghatta Road
Bengaluru – 560 076
Karnataka.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and

practices, we follow provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

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

Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152

Date: May 10, 2016
Place: Bengaluru

Corporate Governance Report

For the Year ended March 31, 2016 (Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. OUR APPROACH TO CORPORATE GOVERNANCE

At 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 Members
- 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
- 11) Policy for Preservation of Documents
- 12) Policy on Determination of Materiality of events/ information for disclosure
- 13) Familiarisation Program for Non-Executive Directors

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 (the "Act") read with Rules made thereunder and the SEBI Listing Regulations.

The Independent Directors fulfill the conditions of independent directors as specified in Section 149 of the Companies Act, 2013 and the Rules made thereunder and meet the requirements laid down in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("LODR"). Terms and conditions of appointment of Independent Directors is disclosed on the website of the Company.

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

- 1) Consequent to merger of Shasun Pharmaceuticals with the Company, Mr. Abhaya Kumar, Promoter and Managing Director of erstwhile Shasun Pharmaceuticals, was appointed to the Board of Directors of the Company as an Executive Director w.e.f November 19, 2015.
- 2) On June 15, 2016, the Board of Directors of the Company re-designated Mr. Bharat Shah as an Independent Director. Mr. Shah was appointed as a Non-Executive Director of the Company on July 25, 2014. While he met the criteria stipulated for Independent Directors under the Act, he was designated as a Non-Executive Director to ensure compliance with Section 152 of the Act, which stipulates retirement of Directors by rotation. Subsequently, as the Board of the Company has requisite number of Non-Executive Directors who can fulfill the compliance requirement and considering that Mr. Shah continues to meet the criteria stipulated for Independent

Directors, he was re-designated as Independent Director of the Company with effect from June 15, 2016.

As on the date of this Report, the Board comprises of 9 Directors - Two Executive Directors, Five Independent Directors and Two 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 CG-1.

The details of each member of the Board as at the date of this report is as under:

#	Name of the Directors	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	175,000 (0.20%)	10	4	2
2.	Arun Kumar (Executive Vice Chairman & Managing Director)	P & ED	June 28, 1990	670,797 (0.75%)	4	1	-
3.	Abhaya Kumar S	ED	November 19, 2015	453,983 (0.51%)	5	-	-
4.	S Sridhar	ID	July 27, 2012	48,750 (0.05%)	13	6	4
5.	M.R. Umarji	NED	October 27, 2005	14,000 (0.02%)	5	3	-
6.	A.K. Nair	ID	October 27, 2005	20,000 (0.02%)	9	5	2
7.	P.M. Thampi	ID	December 21, 2005	63,000 (0.07%)	3	2	1
8.	Sangita Reddy	ID	February 7, 2014	-	15	1	-
9.	Bharat Shah **	ID	July 25, 2014	30,000 (0.03%)	11	7	-

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

** Mr. Bharat Shah redesignated as Independent Director effective from June 15, 2016

- 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 and Private Companies and Alternate Directorships are considered. Directorships in Foreign Companies and Section 8 Companies, if any, have been excluded.

- In accordance with the provisions of SEBI (LODR) Regulations, 2015, 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 of Committee 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.

The Managing Director 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.

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, organisation structure, codes and policies, internal controls and risk management systems and their roles and responsibilities as Directors of the Company.

3.3 Familiarisation programs for Board Members

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes encompassing important laws are regularly updated to the Directors. Site visits to various plant locations are organised for the Directors to enable them to understand the operations of the Company.

The Company has formulated a policy which is uploaded on the website of the Company – <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 noted by the Board in its next meeting.

During the year under review, the Board met 5 times. These meetings were held on May 22, 2015, July 30, 2015, September 25, 2015, October 27, 2015 and February 8, 2016. Further, the Twenty-fourth Annual General Meeting (AGM) of the Company was held on Thursday, July 30, 2015.

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

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

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board for its 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 with the 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 LODR, the Company's Independent Directors met on May 22, 2015 without the presence of non-independent Directors and management personnel.

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 Managing 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 LODR.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Deepak Vaidya, Director of the Board, retires by rotation and being eligible offers himself for re-appointment.

Consequent to merger of Shasun Pharmaceuticals with the Company, Mr. Abhaya Kumar, Promoter and Managing Director of erstwhile Shasun Pharmaceuticals, was appointed to the Board of Directors of the Company as an Executive Director on November 19, 2015 (liable to retire by rotation) for a period of 3 years, subject to approval of the members at the ensuing Annual General Meeting.

Further, on June 15, 2016, the Board of Directors have re-designated Mr. Bharat Shah as an Independent Director of the Company. The tenure of his appointment would be for a period of 5 year from June 15, 2016, subject to approval of the members at the ensuing Annual General Meeting.

A brief profile of Mr. Deepak Vaidya, Mr. Abhaya Kumar and Mr. Bharat Shah is provided in Annexure CG-1 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 the following 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 (CSR)
Meetings held	4	2	4	2
Directors' attendance				
Deepak Vaidya	4	2	4	2
Arun Kumar	NA	NA	NA	2
Abhaya Kumar S*	NA	NA	NA	1
S Sridhar	4	NA	NA	NA
M.R. Umarji	4	2	4	NA
A.K. Nair	4	2	4	NA
P.M. Thampi	3	2	3	2
Sangita Reddy	2	NA	NA	2
Bharat Shah	3	NA	NA	NA

N.A. – Not a member of the Committee

* Mr. Abhaya Kumar became a member of the CSR Committee w.e.f. February 8, 2016.

4. AUDIT COMMITTEE

4.1 Composition of the Committee

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

#	Name of the Directors	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.	Bharat Shah	Independent Director	Member
6.	Deepak Vaidya	Non-Executive Director	Member
7.	M R Umarji	Non-Executive Director	Member

4.2 Audit Committee Meetings

The Committee met 4 times during the period under review i.e., on May 22, 2015, July 30, 2015, October 27, 2015, and February 8, 2016.

The meetings of the Audit Committee are also attended by the Managing Director, Executive Director, Group CFO & CS, 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) Examination of the Company's financial statement and the Auditor's Report on the same.
- (c) Discuss and review, with the management and auditors, the annual/ quarterly financial statements before submission to the Board, with particular reference to:
 - i. Matters that must be included in the Director's Responsibility Statement which is to be included in the Board's report under Section 134(3)(c) of the Act.
 - 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. Any significant adjustment made in the financial statements arising out of audit findings.
 - 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 and make appropriate recommendations to the Board.
 - ix. Any modified opinion(s) in the draft audit report.
 - x. Review of 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 and/or IFRS 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 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 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 approval for payment for any non-audit services rendered by the Statutory Auditors.
- (f) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- (g) Review management letters/ letters of internal control weaknesses issued by Statutory Auditors.
- (h) Pre-approval of audit and non-audit services to be rendered by the Statutory Auditors of the Company. The Committee must ensure that the non-audit services do not extend to the following:
 - i. accounting and book keeping services;
 - ii. internal audit;
 - iii. design and implementation of any financial information system;
 - iv. actuarial services;
 - v. investment advisory services;
 - vi. investment banking services;
 - vii. rendering of outsourced financial services;

viii. management services; and

ix. any other kind of services as may be prescribed.

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, 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 related matters.
- (b) Review management letters/ letters of internal control weaknesses issued by 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, inspections or audits by regulatory agencies and any adverse observations made by them.
- (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 with the management, the statement of the utilisation of proceeds of funds raised through issue (public/ rights/

preferential etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the agency monitoring the utilisation of proceeds of a public/ rights issue and make appropriate recommendations to the Board.

- (e) Evaluation of internal financial controls and risk management systems.
- (f) Review the functioning of the whistle blower mechanism.

6) Subsidiary Control Oversight:

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

7) Related Party Transactions:

- (a) Review 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 Committee must lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the Company and such approval is applicable in respect of transactions which are repetitive in nature.
 - ii. The Committee must be certain of 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/ parties, 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. For cases where the need for related party transaction cannot be foreseen and aforesaid details are not available,

the Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 1 Crore per transaction.

- v. The Committee must review the details of all related party transactions entered into by the Company, pursuant to each of the omnibus approvals given, at least once every quarter.
 - vi. Such omnibus approvals are valid only for a period of one year and will require fresh approval after the expiry of one year.
- (c) Prior Approval or any subsequent modification of transactions of the Company with related parties;

8) Vigil Mechanism:

- (a) The vigil mechanism will provide adequate safeguards against victimisation of employees/ Directors. It further acts as a mode of direct access to the Chairman of the Committee.
- (b) The Committee may recommend suitable action to the management against persons making repeated frivolous complaints under this mechanism.

9) Others:

- (a) Conduct meetings with the Management to analyse the financial condition and results of operations.
- (b) Approval of appointment of Chief Financial Officer 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 the Annual General Meeting to answer shareholders' queries.

(f) The Committee must review the quarterly statement submitted to the stock exchange, in compliance with LODR. This shall be a statement that includes the following:

- deviations, if any, in the use of proceeds from the objects stated in the offer document or explanatory statement to the notice for the general meeting, as applicable;

- category-wise variation (capital expenditure, sales and marketing, working capital etc.) between projected utilisation of funds made by it in its offer document or explanatory statement to the notice for the general meeting, as applicable and the actual utilisation of funds;

- the report of the monitoring agency.

(g) The Committee must review the annual statement of funds utilised for any purpose other than those stated in the offer document / prospectus/ notice and the monitoring report of the monitoring agency appointed by the Company, if any .

(h) Reviewing material litigation and their impact on financial reporting.

(i) Assessing status of key disputes and material litigation of the Company and recommend steps to the management to resolve them as well as to initiate processes to prevent or avoid recurrence.

(j) 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 of the Directors	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 22, 2015 and February 8, 2016.

5.3 Terms of reference of the Committee

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

- (a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- (b) To formulate a criteria for evaluation of the performance of all the independent Directors and the Board.
- (c) To devise a policy on Board diversity and assist the board in ensuring Board nomination process, address diversity of gender, knowledge, experience and perspective.
- (d) Identify persons who are qualified to become Directors and who may be appointed as Senior Management, in accordance with the criteria laid down in the policy.
- (e) To recommend to the Board the appointment and removal of Directors and Senior Management, in accordance with the criteria laid down in the policy.
- (f) To recommend to the Board, a policy relating to remuneration of Directors, KMP and Senior Management.
- (g) To ensure the following:
 - i. The level and composition of remuneration is reasonable and sufficient for the motivation and retention of Directors of calibre suitable to the Company's needs.
 - ii. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - iii. The remuneration of Directors, KMP and Senior Management Personnel involves a balance between fixed and incentive pay components that reflect short and long-term performance objectives appropriate to the working of the Company and its goals.
- (h) To assist the Board of Directors in the Board's overall responsibilities relating to Employee Stock Option Schemes (ESOS) including the administration of the Company's stock incentive plans and

other similar incentive plans and the interpretation and adoption of rules for the operation thereof.

- (i) 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.

5.4 Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and LODR, 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 were carried out by the Independent Directors.

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

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 recognise their contribution, reward merit and to attract and retain talent in the organisation.

The Company's Remuneration Policy for Directors, Key Managerial Personnel and Senior Management is annexed as Annexure 4 to the Board's 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 Directors is by virtue of shareholder approval. Components of remuneration to the Executive Directors is fixed and is in line with the Company's policy.

The remuneration for the Executive Directors, based on net profit of the Company, is recommended by the Nomination and Remuneration Committee to the Board for consideration. The remuneration paid to the Executive Directors 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 Directors

Name of the Directors	Salary and Allowances (₹)	PF (₹)	Bonus (₹)	Total (₹)
Arun Kumar (Executive Vice Chairman & Managing Director)	38,531,200	1,468,800	12,500,000	52,500,000
S. Abhaya Kumar (Executive Director)	15,951,210	1,418,790	3,800,000	21,170,000

2) Non-Executive & Independent Directors

#	Name of the Directors	Sitting fee (₹)	Commission/ Bonus	Total (₹)
1	Deepak Vaidya	450,000	-	450,000
2	M.R. Umarji	400,000	-	400,000
3	A.K. Nair	450,000	-	450,000
4	P.M. Thampi	300,000	-	300,000
5	S Sridhar	450,000	-	450,000
6	Sangita Reddy	100,000	-	100,000
7	Bharat Shah	350,000	-	350,000

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 of the Directors	Category of Directorship	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

6.2 Meetings of the Committee

The Committee met 4 times during the period under review i.e on May 22, 2015, July 30, 2015, October 27, 2015, and February 8, 2016

The Company Secretary acts as the Secretary of the Committee.

6.3 Terms of reference of the Committee

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

- a) To monitor and review 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, etc.
- b) To act as a delegated authority of the Board of Directors to expedite the process of share transfers.
- c) To attend general meetings of the Company: the Chairperson of the Committee or in his/her absence, any other member of the Committee authorised by him/her will attend the general meetings of the Company.
- d) To oversee the implementation of the Company's Code of Conduct for the prevention of insider trading in the securities of the Company.
- e) To authorise the following activities:
 - i. Issue of share certificates or any other certificate or document issued in respect of any other securities of the Company after split/ consolidation/ rematerialisation of shareholding;
 - ii. Printing of share certificates or any other certificate or document issued in respect of any other securities of the Company.

- iii. Issue of duplicate share certificates/ other certificate or document issued in respect of any other securities of the Company;
- iv. Affixation of Common Seal of the Company on share certificates or any other certificate or document issued in respect of any other securities of the Company.

6.4 Investor/ Shareholder Complaints

During the year under review, there were 275 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)	145	145	-
2	Non receipt of annual reports	78	78	-
3	Non receipt of securities	44	44	-
4	Non receipt of securities after transfer	2	2	-
5	Non receipt of duplicate/ transmission/ deletion of share certificates	1	1	-
6	Investor complaints filed with SEBI SCORES	4	3	1
7	Investor Complaints filed with Stock Exchange	1	1	-
	Total	275	274	1

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

6.6 Secretarial Compliance Certificate

As per provisions of the LODR, the Company has obtained the Secretarial Compliance

Certificate on half yearly basis from a practicing Company Secretary to the effect that all transfer/ transmission 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 conducted by Mr. Gopalakrishnaraj, a Practicing Company Secretary.

The Secretarial Audit Report for the financial year ended March 31, 2016 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 Directors	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
5	Abhaya Kumar S	Executive Director	Member

7.2 Committee Meeting Details

The CSR Committee met twice during the period under review i.e., on May 22, 2015 and February 8, 2016.

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 CSR report on CSR activities undertaken during the year together with its monitoring and spending is annexed to the Board's Report.

8. GENERAL BODY MEETINGS

1) Annual/ Extra Ordinary General Meetings

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 and Extraordinary General Meeting (EGM) was held at The Chancery Pavilion, 135, Residency Road, Bengaluru – 560 025

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

AGM/ EGM	Date /Time	Special Resolutions passed
24th AGM	July 30, 2015 11.30 AM	NIL
23rd AGM	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
22nd AGM	June 10, 2013 11.30 AM	Appointment of Mr. Mohana Kumar Pillai as CEO- Pharma
EGM	December 12, 2015 10.30 AM	Approval to raise long term funds upto ₹ 1,500 Crores.

- 2) **Postal Ballot:** During FY 2015-16, the Company approached the shareholders thrice through Postal Ballot. The details of the same is given below:

Notice Date	Result Date	Description of the Resolution	Type of Resolution	No. of votes polled	Votes cast in favour		Votes cast against	
					No. of Votes	Percentage (%)	No. of votes	Percentage (%)
May 22, 2015	July 10, 2015	Item-1: Authorization to the Board of Directors to make investments, give loans and guarantee or Security pursuant to Section 186 of the Companies Act, 2013.	Special	30,399,646	25,680,197	84.48	4,719,426	15.52
		Item-2: Authorization to the Board of Directors to create mortgage/ charge/ hypothecate pursuant to Section 180 (1) (a) of the Companies Act, 2013.	Special	31,133,906	28,302,185	90.90	2,831,721	9.10
October 1, 2015	November 6, 2015	Item-1: Approval for change of Name of the company from "Strides Arcolab Limited" to "Strides Shasun Limited" and consequent alteration to Memorandum of Association and Articles of Association of the Company.	Special	31,715,276	31,710,358	99.98	2,690	0.01
		Item-2: Approval of Strides Arcolab Employee Stock Option Plan 2015" and grant of Employee Stock Options to the Eligible Employees of the Company under the Plan.	Special	31,715,276	26,182,975	82.56	5,529,280	17.43
		Item-3: Approval to grant stock options to the Eligible Employees of the Company's Subsidiaries/ Associate companies under the "Strides Arcolab Employee Stock Option Plan 2015".	Special	31,715,276	26,182,380	82.55	5,529,238	17.43
		Item-4: Approval for enhancement of borrowing limits of the Company from ₹ 1,500 crores to ₹ 2,500 crores	Special	31,715,276	31,583,481	99.58	129,229	0.41
		Item-5: Approval to raise long term funds upto ₹ 1,500 crores.	Special	31,715,276	28,742,561	90.63	2,968,527	9.36
February 8, 2016	April 21, 2016	Item-1: Approval of "Strides Shasun Employee Stock Option Plan 2016" and Grant of Employee Stock Options to the Employees of the Company under the Plan.	Special	47,493,881	39,605,875	83.39	7,876,668	16.58
		Item-2: Approval to grant stock options to the Employees of the Company's subsidiaries companies under the "Strides Shasun Employee Stock Option Plan 2016".	Special	47,493,881	39,600,132	83.38	7,881,602	16.59

The Company successfully completed the process of obtaining approval of its Members for resolutions on the items detailed above through postal ballot.

Mr. Binoy Chacko, Practicing Company Secretary, was appointed as the Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for Postal Ballot

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members/ list of beneficiaries as on a cut-off date. The Notice, together with the documents accompanying the same, are sent to all the members by email/ registered post/ courier whose names appear in the Register of Members/ list of Beneficial Owners as received from the National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) or Registrar and Share Transfer Agent ("Karvy") as on cut-off date at their respective registered/ last known address. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 (the "Act") and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms, duly completed and signed, to the Scrutiniser on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with related Rules, the Company provides electronic voting (e-voting) facility to all its members. The Company engages the services of Karvy Computershare Private Limited ("Karvy") for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e voting.

The Scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/ authorised officer. The results are also displayed on the Company website, www.stridesarco.com, and also on the website of Karvy i.e., <https://evoting.karvy.com>, besides

being communicated to BSE Limited and the National Stock Exchange of India Limited on which the shares of the Company are listed.

9. AFFIRMATIONS AND DISCLOSURES

- a) The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015.
- b) 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/investor-committeboard.html>

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

- c) 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.
- d) 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.
- e) As required under LODR, the Company has formulated a policy for determining "material subsidiaries" which is uploaded on the website of the Company - <http://www.stridesarco.com/investor-committeboard.html>
- f) The Company is not exposed to any commodity price risk. The details of the Foreign Exchange Risk and Company's hedging activities forms part of the Management Discussions and Analysis Report and the Notes to the Financial Statements.

10. SHAREHOLDERS' COMMUNICATION

The Company recognises 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 Computershare 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, Half yearly and Annual results

The quarterly, half yearly and annual results of the Company as approved by the Board of Directors are submitted to the Stock Exchanges where the Company's shares are listed.

Further, the quarterly, half yearly and annual results of the Company are also published in widely circulated national newspapers such as The Financial Express and in the local vernacular daily, Lokmath.

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.

Regular updates about the company in the form of news releases, stock exchange intimations, investor presentations etc., are displayed on the Company's web site.

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

SEBI administers a centralized web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online on the

website www.scores.gov.in. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal are carried online at any time. The Company has registered itself on SCORES and endeavors to resolve all investor complaints received through SCORES.

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 Financial Statements (Standalone and Consolidated), 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 in a user-friendly and downloadable form.

11. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting 2016

Day/ Date	Friday, July 29, 2016
Time	12.00 Noon
Venue	Four Points by Sheraton, Plot No - 39/1, 6 to 15, Sector - 30A, Vashi, Navi Mumbai - 400 701.

b) Financial Calendar for the Year 2016-17

Financial Reporting for Quarter/ Half Year ended	During
June 30, 2016	August, 2016
September 30, 2016	November, 2016
December 31, 2016	February, 2017
March 31, 2017	May, 2017

c) Date of Book closure: July 23, 2016 to July 29, 2016 (inclusive of both days)

d) Dividend

During the financial year ended March 31, 2016, the Board of Directors of the erstwhile Shasun Pharmaceuticals Limited had paid an interim dividend of ₹ 1/- per equity share of face value of ₹ 2 each to its shareholders.

Further, the Board of Directors of the Company at their meeting held on May 16, 2016, subject to the approval of the shareholders at the Annual General Meeting have recommended a dividend of ₹ 4/- per share on equity share of face value of ₹ 10/- each for the financial year ended March 31, 2016.

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)

During the year under review there was no amount due for transfer to Investor Education and Protection Fund (IEPF).

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

Financial Year Ending	Type of Dividend	Dividend Rate	Date of declaration	Due date for transfer to IEPF
December 31, 2009	Final	15%	May 31, 2010	August 5, 2017
December 31, 2010	Final	15%	May 30, 2011	August 4, 2018
December 31, 2011	Final	20%	May 25, 2012	July 30, 2019
December 31, 2012	Final	20%	June 10, 2013	August 15, 2020
March 31, 2014	Special	5000%	December 10, 2013	February 14, 2021
	Final	50%	September 9, 2014	November 14, 2021
March 31, 2015	Special	1050%	October 7, 2014	December 12, 2021
	Final	30%	July 30, 2015	October 4, 2022
March 31, 2016	Final	40%	July 29, 2016	October 3, 2023

Due dates for transfer of unpaid/ unclaimed dividends to IEPF of erstwhile Shasun Pharmaceuticals Limited are as follows:

Financial Year Ending	Type of Dividend	Dividend Rate	Date of declaration	Due date for transfer to IEPF
March 31, 2010	Final	50%	July 30, 2010	October 4, 2017
March 31, 2011	Final	15%	July 29, 2011	October 3, 2018
March 31, 2012	Interim	100%	March 15, 2012	May 20, 2019
March 31, 2012	Final	20%	August 2, 2012	October 7, 2019
March 31, 2013	Final	75%	August 2, 2013	October 7, 2020
March 31, 2014	Final	50%	August 6, 2014	October 11, 2021
March 31, 2016	Interim	50%	July 30, 2015	October 4, 2022

The Members of the Company, who have not yet encashed their divided warrant (s), may write to the Company/ Registrar and Share Transfer Agent immediately.

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 and Address of Stock Exchange	Security Listed	ISIN	Stock Code
1	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001.	Equity Shares	INE939A01011	532531
2	The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	Equity Shares	INE939A01011	STAR

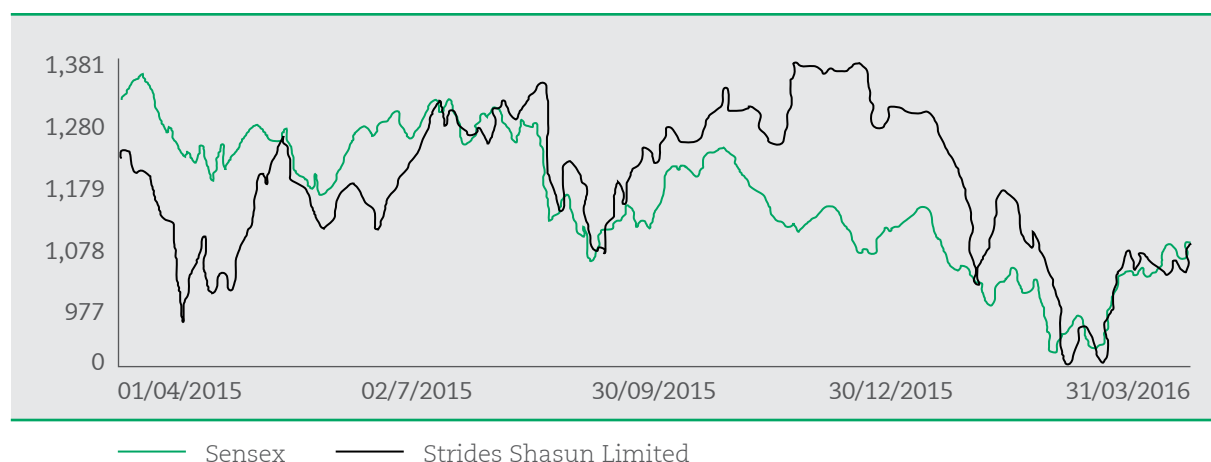
The Company has paid listing fees to both the above stock exchanges and there is no outstanding payment as on date of this report.

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 BSE Limited, Mumbai (BSE) for the period under review is as under:

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2015	1,248.80	916.25	12,136,266	1,249.00	917.25	1,711,599
May, 2015	1,275.00	963.00	14,497,918	1,269.00	964.05	2,311,027
June, 2015	1,264.95	1,074.00	9,657,888	1,260.85	1,073.45	1,622,148
July, 2015	1,337.00	1,112.00	10,499,830	1,335.45	1,101.00	1,330,312
August, 2015	1,374.10	998.50	14,022,833	1,373.00	1,001.00	2,292,139
September, 2015	1,260.00	1,006.95	10,494,577	1,260.45	1,008.00	1,433,049
October, 2015	1,339.90	1,226.00	6,259,252	1,380.00	1,228.50	744,563
November, 2015	1,414.00	1,200.40	5,842,485	1,412.45	1,202.00	713,796
December, 2015	1,401.00	1,255.10	7,975,600	1,400.00	1,255.05	947,933
January, 2016	1,309.80	963.55	7,911,092	1,324.40	964.00	869,768
February, 2016	1,184.00	847.00	12,995,942	1,183.50	848.00	1,813,232
March, 2016	1,135.80	870.30	11,925,166	1,136.90	871.25	1,553,713

i) Performance of Strides Shasun 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 – 500032
 Tel: +91 40 6716 1500
 Fax: +91 40 23420814
 e-mail id: svraju@karvy.com

k) Share Transfer System

The Company has appointed Karvy Computershare Private Limited, Hyderabad, as its Registrar and Share Transfer Agent 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, 2016:

Slab of Shareholding	No. of Shareholders	% to Total Number of Shareholder	No. of Shares	Amount (₹)	% to paid up capital
1 – 5,000	69,830	95.96	4,105,375	41,053,750	4.59
5,001 – 10,000	1,421	1.95	1,078,438	10,784,380	1.21
10,001-20,000	628	0.86	914,794	9,147,940	1.02
20,001-30,000	224	0.31	558,065	5,580,650	0.62
30,001-40,000	107	0.15	379,939	3,799,390	0.43
40,001-50,000	84	0.12	385,589	3,855,890	0.43
50,001-1,00,000	140	0.19	1,015,977	10,159,770	1.14
1,00,001 and above	337	0.46	80,907,801	809,078,010	90.56
Total	72,771	100.00	89,345,978	893,459,780	100.00

m) Shareholding Pattern as at March 31, 2016

#	Category	No. of shares held	% to total shareholding
1.	Indian Promoters	27,826,184	31.14
2.	Mutual Funds & UTI	8,296,245	9.29
3.	Banks, Financial Institutions, Insurance Companies	978,859	1.10
4.	Foreign Institutional Investors/ Foreign Portfolio Investors	30,619,824	34.27
5.	Foreign Venture Capital Investors	2,055,920	2.30
6.	Bodies Corporate	3,368,195	3.77
7.	Non-Resident Indians/ Overseas Corporate Bodies	2,098,676	2.35
8.	Others (including Indian Public, Trust, Foreign Nationals)	14,102,075	15.78
Total		89,345,978	100.00

n) Dematerialisation of Shares & Liquidity

The Company shares are compulsorily traded in dematerialised form. The Company has established connectivity with both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar, Karvy Computershare Private Limited.

As at March 31, 2016, 99.61 % of the paid-up share capital of the Company representing 8,89,98,574 shares has been dematerialised.

To enable us to serve our investors better, we request investors whose shares are in physical mode to dematerialise 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

(i) India

Oral Dosage Facility

KRS Gardens, Surajakkanahalli, Kasaba Hobli, Anekal Taluk, Bengaluru – 562 106, India

Oral Dosage Facility

#19/1,19/3, Chandapura, Sarjapura Hobli, Anekal taluk, Bengaluru -560 099, India

Multi Product Facility

No.A1/B, SIPCOT Industrial Complex Kudikadu, Cuddalore – 607 005, India

API Facility

Mathur Road, Periyakalpet Puducherry – 605 014, India

Finished Dosage Facility

PIMS Road, Periyakalpet Puducherry – 605 014, India

(ii) Europe

Semi-Solids Facility

20095 Cusano MIL Via Stelvio, 66, Italy

GRAMS Facility*

Dudley Lane, Dudley Cramlington, Northumberland England NE23 7QG

*The Board of Directors have approved the divestment of GRAMS business, subject to shareholders' approval.

(iii) Africa**Oral Dosage Facility**

Gate No. 02, Ladipo Oluwole Street, Opposite
Cocia Warehouse, Off Oba Akran Avenue,
Ikeja Industrial Area, Lagos, Nigeria

Oral Dosage Facility

No.3/11, Suba Industrial Area
Khartoum, Sudan

Oral Dosage Facility

S/C B.P 2353 Douala AKWA
Rue DUBOIS De Saligny
Cameroon

Packaging Facility

No. 208, Gold Street, Unit 8,
Prosperita Park, P. o. Box 3620
Namibia

Packaging Facility

Plot no. 1090, Selokwaneng Industrial Site,
Gaborone, Botswana

Semi-Solids Facility

Club Road, Past Post Office, Plot No. 13777,
P.O.Box 1748- 00902, Kikuyu Town, Kenya

Oral Dosage Facility

Bairro do Aeroporto, Avenida de
Angola, No. 3016, C. P. No. 2991, Maputo,
Mozambique

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@stridesshasun.com
investors@stridesshasun.com

Compliance Officer under LODR

Mr. Badree Komandur
Group CFO & CS
Tel. No.: +91 80 6784 0747
Fax No. +91 80 6784 0800
e-mail id. : badree.komandur@stridesshasun.com;
investors@stridesshasun.com

Registrars & Share Transfer Agents

Karvy Computershare Private Limited,
Karvy Selenium Tower B
Plot no. 31 & 32, Financial District Nanakramguda,
Serilingampally Mandal, Hyderabad – 500032

Tel: +91 40 6716 1500
Fax: +91 40 23420814
E-mail id: svraju@karvy.com

Contact Persons :

Mr. S.V. Raju, Deputy General Manager/
Mr. Mohan Kumar A, Manager

The Company's designated email id for investor
complaints is investors@stridesshasun.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 provides that members of the Board are required to avoid any interest in contracts entered into by the Company. If such an interest exists, the members are required to make disclosure to the Board and to abstain from discussion, voting or otherwise influencing on any matter in which the concerned Director has or may have such interest. The Code also restricts the Directors from accepting any gifts or incentives in their capacity as Director of the Company, except what is duly authorised under the Code.

All Board Members and Senior Management Personnel have confirmed compliance with the Code for the period under review.

A declaration to this effect signed by the CEO of the Company is given below:

"I confirm that the Company has in respect of the year ended March 31, 2016, 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: June 15, 2016

INDEPENDENT AUDITOR'S CERTIFICATE

To the Members of Strides Shasun Limited

1. We have examined the compliance of conditions of Corporate Governance by STRIDES SHASUN LIMITED (formerly known as Strides Arcolab Limited) ("the Company"), for the year ended on March 31, 2016, as stipulated in:
 - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and 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 Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Place: Bengaluru, India
Date: June 15, 2016

V Srikumar
Partner
Membership No.: 84494

Annexure CG1

Brief Profile of Directors

Sl.No.	Name of the Director	Brief Profile	Companies in which Director	Committee Membership
EXECUTIVE DIRECTORS				
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. As at March 31, 2016, Arun holds 6,70,797 equity shares representing 0.75% of the paid-up share capital of the Company and is not related to any other Director of the Company.	1. Clairvolex Knowledge Processes Pvt. Ltd 2. Patsys Consulting Private Limited 3. Spire Technologies and Solutions Private Limited 4. Stelis Biopharma Private Limited	- - - 1. Audit Committee
2	S. Abhaya Kumar Executive Director (DIN: 00729827)	S. Abhaya Kumar was the Founder and Managing Director of the erstwhile Shasun Pharmaceuticals Limited. He holds a bachelor's degree in Chemical Engineering from the Faculty of Technology, University of Madras. He has played a strategic role in the growth of Shasun. As at March 31, 2016, Abhaya holds 4,53,983 equity shares representing 0.51% of the paid-up share capital of the Company and is not related to any other Director of the Company.	1. General Optics (Asia) Ltd 2. LifeCell International Private Ltd 3. Shasun Biotech Ltd 4. Tri Cell Therapeutics Private Ltd. 5. Visionary RCM Infotech (India) Pvt Ltd.	- - - -
NON-EXECUTIVE DIRECTORS				
3	Deepak Vaidya Chairman of the Board (DIN: 00337276)	Deepak Vaidya is the Chairman of our Board. He was appointed to our Board on January 16, 1998 and was appointed as Chairman of our Board on February 9, 2006. He is a fellow member of the Institute of Chartered Accountants in England and Wales. He has previously worked as the country head of Schroder Capital Partners (Asia) Pte. Ltd. for over 12 years, and is currently the chairman of Arc Advisory Services Pvt. Ltd. He is experienced in the corporate financial services industry in India and abroad. As at March 31, 2016, Deepak holds 1,75,000 equity shares representing 0.20% of the paid-up share capital of the Company and is not related to any other Director of the Company.	1. Apollo Hospitals Enterprise Limited 2. Apollo Gleneagles Hospital Limited 3. Arc Advisory Services Private Limited 4. Capricorn Securities India Private Limited 5. Indraprastha Medical Corporation Limited 6. Marudhar Hotels Pvt. Ltd. 7. PPN Power Generating Company Private Limited 8. Suntec Business Solutions Private Limited 9. UTI Capital Private Limited 10. Chaityadeep Investment Pvt Ltd. (Under Strike Off)	1. Audit Committee (Chairman) 2. Nomination & Remuneration Committee 3. Investment Committee 1. Audit Committee (Chairman) 2. CSR Committee - - 1. Audit Committee - 1. CSR Committee - 1. Audit Committee 2. Nomination & Remuneration Committee -

4	M R Umarji (DIN: 00307435)	<p>Mr. Umarji was appointed to our Board on October 27, 2005. He is experienced in the field of banking. He has previously been engaged as the chief advisor – legal, at the Indian Banks Association.</p> <p>He has also worked at HDFC Bank, Bank of Baroda and Dena Bank and in the Reserve Bank of India as Executive Director – Department of Non Banking Supervision.</p> <p>As at March 31, 2016, Umarji 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.</p>	<p>1. Central Registry Of Securitisation Asset Reconstruction And Security Interest Of India</p> <p>2. ITZ Cash Card Limited</p> <p>3. ITZ Cash Payment Solutions Limited</p> <p>4. JM Financial Products Limited</p> <p>5. Uniparts India Limited</p>	<p>-</p> <p>1. Audit Committee</p> <p>-</p> <p>1. Audit Committee</p> <p>1. Audit Committee</p> <p>2. Remuneration Committee (Chairman)</p>
INDEPENDENT DIRECTORS				
5	Sridhar S (DIN: 00004272)	<p>Sridhar S. was appointed to our Board on July 27, 2012. He holds a bachelor's degree in Science from the Bangalore University and a master's degree in Physics from the Indian Institute of Technology, Delhi. He also holds a honorary fellowship awarded by the Governing Council of the Indian Institute of Banking and Finance.</p> <p>He is experienced in the field of commercial and development banking. He has been the Chairman and Managing Director of the National Housing Bank and the Central Bank of India.</p> <p>He was awarded the Lord Aldington Banking Research Fellowship for the year 1984 by the Indian Institute of Bankers.</p> <p>As at March 31, 2016, Sridhar holds 48,750 equity shares representing 0.05% of the paid-up share capital of the Company and is not related to any other Director of the Company.</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 Private Limited</p> <p>13. Tourism Finance Corporation of India Limited</p>	<p>1. Audit Committee (Chairman)</p> <p>1. Audit Committee (Chairman)</p> <p>1. Nomination & Remuneration Committee</p> <p>2. CSR 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>
6	P M Thampi (DIN: 00114522)	<p>P. M. Thampi was appointed to our Board on December 21, 2005. He holds a bachelor's degree in Science from the University of Madras and a diploma in Chemical Engineering from the Battersea Polytechnic, London. He is a chartered engineer from the Institution of Chemical Engineers.</p> <p>He has been Chairman and Managing Director of BASF India Limited and has also been a member of the Committee of the Indo German Chamber of Commerce in the past.</p> <p>As at March 31, 2016, Thampi holds 63,000 equity shares representing 0.07% of the paid-up share capital of the Company and is not related to any other Director of the Company.</p>	<p>1. HDFC Asset Management Company Limited</p> <p>2. Pioneer Baloon India Private Limited</p> <p>3. Stelis Biopharma Private Limited (Formerly Inbiopro Solutions Private Limited)</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee (Chairman)</p> <p>3. Customer Grievance</p> <p>-</p> <p>1. Audit Committee (Chairman)</p> <p>2. Nomination & Remuneration Committee (Chairman)</p>

7	A K Nair (DIN: 00009148)	<p>A. K. Nair was appointed to our Board on October 27, 2005. He holds a bachelor's degree in Engineering from Kerala University and a master's degree in Business Administration from the Cochin University of Science and Technology.</p> <p>He is experienced in the field of management in industries/institutions engaged in merchant banking, engineering and chemical segments. He has previously been the Managing Director of the Kerala State Industrial Development Corporation.</p> <p>As at March 31, 2016, AK Nair holds 20,000 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</p>	<ol style="list-style-type: none"> 1. CII Guardian International Ltd 2. Geojit Credits Private Limited 3. Guardian Controls Limited 4. Kerala Balers Private Ltd 5. Nitta Gelatin India Limited 	<ol style="list-style-type: none"> 1. Audit Committee (Chairman) 2. Nomination & Remuneration Committee (Chairman) 1. Audit Committee 2. Nomination & Remuneration Committee (Chairman)
		<ol style="list-style-type: none"> 6. Seabird Seaplane Private Limited 7. The Alleppey Company Limited 8. V Guard Industries Limited 9. William Goodacre And Sons India Pvt Ltd 	<ol style="list-style-type: none"> 1. Audit Committee 2. Nomination & Remuneration Committee 	
8	Sangita Reddy (DIN: 00006285)	<p>Sangita Reddy was appointed to our Board on February 7, 2014. She holds a bachelor's degree in Science from the Women's Christian College, Chennai and has completed post-graduate and executive courses in Hospital Administration from Rutgers University and Harvard University in the U.S. and National University of Singapore in Singapore.</p> <p>She is currently the Joint Managing Director of Apollo Hospitals Enterprise Limited and also the Chairperson of Apollo Knowledge, the education vertical of the Apollo group.</p> <p>She is also a member of the World Economic Forum's Global Agenda Council on Digital Health and the head of the Andhra Pradesh State for the Federation of Indian Chambers of Commerce. She has also been elected as a member of the Steering Committee on Health for the Twelfth Five Year Plan (2012-2017) by the Planning Commission, Government of India.</p> <p>As at March 31, 2016, Sangita does not hold any equity shares in the Company and is not related to any other Director of the Company</p>	<ol style="list-style-type: none"> 1. AMG Healthcare Destination Private Limited 2. Apollo Cleaneagles Pet-CT Private Limited 3. Apollo Health And Lifestyle Limited 4. Apollo Home Healthcare Limited 5. Apollo Hospitals Enterprise Limited 6. Apollo Med Skills Limited 7. Apollo Sugar Clinics Limited 8. Apollo Telehealth Services Private Limited 9. Flixir Communities Private Limited 10. Family Health Plan (TPA) Limited 11. Health Superhighway Private Limited 12. Healthnet Global Limited 13. Imperial Hospital And Research Centre Limited 14. KAR Auto Private Limited 15. PCR Investments Limited 	<ol style="list-style-type: none"> 1. Audit Committee 2. Nomination & Remuneration Committee 1. Audit Committee 2. Nomination & Remuneration Committee 1. Audit Committee 2. Nomination & Remuneration Committee 1. Audit Committee 2. Nomination & Remuneration Committee 1. CSR Committee

<p>9</p>	<p>Bharat D Shah (DIN: 00136969)</p>	<p>Bharat D. Shah was appointed to our Board on July 25, 2014. He holds a bachelor's degree in Science from the University of Mumbai and a diploma in Applied Chemistry from Borough Polytechnic, London. He is experienced in the fields of banking, finance and securities market. He is presently the chairman of HDFC Securities Limited and has been one of the founder members of HDFC Bank Limited. As at March 31, 2016, Bharat holds 30,000 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. AGS Transact Technologies Limited</p> <p>2. Atlas Documentary Facilitators Company Private Limited</p> <p>3. Exide Industries Limited</p> <p>4. Faering Capital Trustee Company Private Limited</p> <p>5. HDFC Securities Limited</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee (Chairman)</p> <p>3. CSR Committee</p> <p>4. Stakeholders Relationship Committee</p> <p>5. Risk Management Committee</p> <p>1. Audit & Compliance Committee</p> <p>1. CSR Committee (Chairman)</p> <p>-</p> <p>1. Nomination & Remuneration Committee</p> <p>2. CSR Committee</p> <p>3. Share Transfer & Allotment Committee</p> <p>4. Capex Committee</p>
<p>6. Hexaware Technologies Limited</p>	<p>1. Audit, Governance & Compliance Committee</p> <p>2. Nomination & Remuneration Committee (Chairman)</p> <p>3. CSR Committee (Chairman)</p> <p>4. Banking Investments, Operations & Forex Committee (Chairman)</p> <p>5. Capital Issue Committee (Chairman)</p> <p>6. Infrastructure Committee (Chairman)</p>	<p>1. Audit, Governance & Compliance Committee</p> <p>2. Nomination & Remuneration Committee (Chairman)</p> <p>3. CSR Committee</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee</p> <p>3. CSR Committee</p>	
<p>7. IDFC Alternatives Limited</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee</p> <p>3. CSR Committee</p>	<p>1. Nomination & Remuneration Committee (Chairman)</p> <p>-</p> <p>-</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee (Chairman)</p> <p>3. CSR Committee (Chairman)</p> <p>4. Stakeholders Relationship Committee</p>	
<p>8. India Transact Services Limited</p>	<p>1. Nomination & Remuneration Committee (Chairman)</p> <p>-</p> <p>-</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee (Chairman)</p> <p>3. CSR Committee (Chairman)</p> <p>4. Stakeholders Relationship Committee</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee (Chairman)</p> <p>3. CSR Committee (Chairman)</p> <p>4. Stakeholders Relationship Committee</p>	
<p>9. Salisbury Investments Private Limited</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee (Chairman)</p> <p>3. CSR Committee (Chairman)</p> <p>4. Stakeholders Relationship Committee</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee (Chairman)</p> <p>3. CSR Committee (Chairman)</p> <p>4. Stakeholders Relationship Committee</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee (Chairman)</p> <p>3. CSR Committee (Chairman)</p> <p>4. Stakeholders Relationship Committee</p>	
<p>10. TATA Sky Limited</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee (Chairman)</p> <p>3. CSR Committee (Chairman)</p> <p>4. Stakeholders Relationship Committee</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee (Chairman)</p> <p>3. CSR Committee (Chairman)</p> <p>4. Stakeholders Relationship Committee</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee (Chairman)</p> <p>3. CSR Committee (Chairman)</p> <p>4. Stakeholders Relationship Committee</p>	
<p>11. 3M India Limited</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee (Chairman)</p> <p>3. CSR Committee (Chairman)</p> <p>4. Stakeholders Relationship Committee</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee (Chairman)</p> <p>3. CSR Committee (Chairman)</p> <p>4. Stakeholders Relationship Committee</p>	<p>1. Audit Committee</p> <p>2. Nomination & Remuneration Committee (Chairman)</p> <p>3. CSR Committee (Chairman)</p> <p>4. Stakeholders Relationship Committee</p>	

Independent Auditor's Report

to the members of Strides Shasun Limited (Formerly known as Strides Arcolab Limited)

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated financial statements of Strides Shasun Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2016, 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").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. 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 jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities 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.

AUDITOR'S RESPONSIBILITY

3. 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. 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 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.

OPINION

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so

Independent Auditor's Report

to the members of Strides Shasun Limited (Formerly known as Strides Arcolab Limited)

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 jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

EMPHASIS OF MATTER

5(a) We draw attention to Note 33 (i) to the consolidated financial statements regarding the notification of claims received from Mylan under the terms of the Share Purchase Agreements (SPAs) for sale of the investments in entities in the Specialities products business in an earlier year, which the Company has disputed. As stated in the Note, the Company has provided a guarantee in favour of Mylan and certain amounts have been set aside in escrows under the terms of the SPAs. As explained in the Note, given the nature of the claims included in the notification and the information provided by Mylan so far, the Company has not been able to make a reliable estimate of obligations, if any, on these claims and has made the disclosures under Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" in this regard.

(b) We draw attention to the Note 51 to the consolidated 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 prescribed under Section 133 of the Act.

Our opinion is not modified in respect of the matters referred to in paragraph 5(a) and 5(b) above.

OTHER MATTERS

6(a) We did not audit the financial statements of 21 subsidiaries, whose financial statements reflect total assets of ₹ 35,186.09 Million as at March 31, 2016, total revenues of ₹ 14,117.78 Million and net cash inflows amounting to ₹ 2,084.66 Million for the year ended on that date, as considered in the consolidated financial statements. These financial

statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

(b) We did not audit the financial information of 27 subsidiaries and 2 jointly controlled entities, whose financial information reflect total assets of ₹ 2,444.84 Million as at March 31, 2016, total revenues of ₹ 421.46 Million and net cash outflows amounting to ₹ 33.57 Million for the year ended on that date, as considered in the consolidated financial statements. These 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 jointly controlled entities, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these 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 and the financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought, and read with our comments in paragraph 5(a) under the Emphasis of Matter paragraph above, have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (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 prescribed under Section 133 of the Act, as applicable.
- (e) In our opinion, any unfavourable outcome with regard to the matter referred to in Note 33(i) to the consolidated financial statements resulting in a significant outflow of resources, significantly in excess of amounts set aside in escrows stated in said Note, may have an adverse effect on the functioning of the Group.
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the 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, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Holding company and its subsidiary companies incorporated in India.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) Taking into the consideration the matter referred in Note 33(i), the Company has disclosed the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entities.
- (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- (iii) There were no amounts which were 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 16, 2016

(Membership No. 84494)

Annexure “A” to The Independent Auditor’s Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Strides Shasun Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies which are companies incorporated in India, as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year then ended.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act,

2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 6 subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

V. Srikumar
Partner

Bengaluru, May 16, 2016

(Membership No. 84494)

Consolidated Balance Sheet

as at March 31, 2016

	Note No.	March 31, 2016	₹ In Million March 31, 2015
A EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	893.46	596.16
(b) Reserves and surplus	4	27,738.42	10,853.06
		28,631.88	11,449.22
2. Minority Interest		428.01	187.09
3. Non-current liabilities			
(a) Long-term borrowings	5	27,454.84	2,673.88
(b) Deferred tax liabilities (net)	6(a)	360.92	-
(c) Other long-term liabilities	7	186.20	177.63
(d) Long-term provisions	8	127.59	60.24
		28,129.55	2,911.75
4. Current liabilities			
(a) Short-term borrowings	9	7,015.13	2,030.31
(b) Trade payables	10		
- Total outstanding dues of micro enterprises and small enterprises		69.39	18.83
- Total outstanding dues of creditors other than micro and small enterprises		7,723.66	2,325.27
(c) Other current liabilities	11	3,479.27	5,024.67
(d) Short-term provisions	12	1,114.05	800.32
		19,401.50	10,199.40
Total		76,590.94	24,747.46
B ASSETS			
1. Non-current assets			
(a) Fixed Assets			
- Tangible assets	13	10,331.46	4,355.83
- Intangible assets	13	12,144.77	1,289.37
- Capital work in progress		3,310.03	1,455.91
- Intangible assets under development		8,691.23	255.82
		34,477.49	7,356.93
(b) Goodwill on Consolidation	53.1	1,767.67	1,368.37
(c) Non-current investments	14	963.84	687.56
(d) Deferred tax assets (net)	6(b)	211.19	53.88
(e) Long-term loans and advances	15	3,202.79	973.62
(f) Other non-current assets	16	18.95	12.65
		40,641.93	10,453.01
2. Current assets			
(a) Current investments	17	12,076.03	5,612.89
(b) Inventories	18	6,131.37	2,076.76
(c) Trade receivables	19	10,965.31	3,899.56
(d) Cash and cash equivalents	20	3,107.70	1,468.85
(e) Short-term loans and advances	21	2,957.60	1,125.81
(f) Other current assets	22	711.00	110.58
		35,949.01	14,294.45
Total		76,590.94	24,747.46

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

For and on behalf of Board of Directors

V. Srikumar

Partner

Deepak Vaidya

Chairman

Arun Kumar

Executive Vice Chairman &
Managing Director

Badree Komandur

Group CFO & Company Secretary

Bengaluru, May 16, 2016

Bengaluru, May 16, 2016

Consolidated Statement of Profit and Loss

for the year ended March 31, 2016

₹ In Million

	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
A. CONTINUING OPERATIONS:			
1	23	32,141.49	11,995.35
		Less: Excise duty	36.86
		Revenue from operations (net)	11,958.49
2	24	1,212.17	385.67
3		Total revenue (1+2)	12,344.16
4 Expenses			
(a)	25	14,180.81	4,953.85
(b)	26	2,434.59	792.52
(c)	27	(1,322.90)	(141.55)
(d)	28	4,988.41	1,720.61
(e)	29	6,069.73	2,344.52
Total		26,350.64	9,669.95
5		Earnings before exceptional items, finance costs, tax, depreciation and amortisation (3-4)	2,674.21
6	30	1,803.06	474.35
7	13	1,572.82	640.32
8		Profit before exceptional items and taxes (5-6-7)	1,559.54
9	31	(473.60)	(73.76)
10		Profit before tax (8+9)	1,485.78
11	32	688.55	532.30
12		Profit before tax on subsidiary dividend income	953.48
13		Tax on dividend received from subsidiaries	943.68
14		Profit for the year from continuing operations (12-13)	9.80
B. DISCONTINUED OPERATIONS:			
15	33	102.67	8,434.33
16		Profit before tax from discontinued operations	8,434.33
17	33	26.93	-
18		Profit after tax from discontinued operations (16-17)	8,434.33
C. TOTAL OPERATIONS			
19		Profit after tax before minority interest (14 + 18)	8,444.13
		Add: Share of loss attributable to Minority interest	(5.86)
20		Profit for the year attributable to the shareholders of the Company	8,449.99
21	45	Earnings per share (of ₹10/- each)	
a) Basic			
		- Continuing operations	0.26
		- Total operations	141.85
b) Diluted			
		- Continuing operations	0.26
		- Total operations	141.27

See accompanying notes forming part of the consolidated financial statements

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

For and on behalf of Board of Directors

V. Sri Kumar
Partner

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman &
Managing Director

Badree Komandur
Group CFO & Company Secretary
Bengaluru, May 16, 2016

Bengaluru, May 16, 2016

Consolidated Cash Flow Statement

for the year ended March 31, 2016

		For the year ended March 31, 2016	₹ In Million For the year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax from:			
Continuing operations		2,575.58	1,485.78
Discontinuing operations		102.67	8,434.33
		2,678.25	9,920.11
Adjustments for:			
- Depreciation and amortisation		1,572.82	640.32
- Loss on sale of assets / assets written off (net)		0.15	4.56
- Expenses on employee stock option plans		11.73	8.96
- Interest expense on borrowings		1,441.84	300.42
- Interest on delayed payment of Income tax		2.98	16.89
- Income from interest and dividend		(444.26)	(154.21)
- Gain on sale of short-term investment in mutual funds		(364.04)	-
- Profit on sale of long term investments(net)		(102.67)	(8,434.33)
- Rental income from operating leases		(72.56)	(140.09)
- Liability / provision no longer required written back		(52.11)	(67.22)
- Bad debts written off / provision for doubtful trade and other receivables		40.02	49.63
- Unbilled revenue written off		-	9.38
- Merger and restructuring costs		221.23	109.40
- Net loss / reversal of cost on option contracts		-	(199.81)
- Write-off/provision for assets		157.25	9.00
- Reversal of provision for impairment of fixed assets (Refer note 47(b))		(4.05)	-
- Impact of aligning accounting policies on merger of Shasun (Refer note 35(a))		168.16	-
- Net unrealised exchange (gain) / loss		(344.05)	279.78
Operating profit before working capital changes		4,910.69	2,352.79
Changes in working capital			
(Increase)/decrease in trade and other receivables		(4,537.02)	(313.90)
(Increase)/decrease in inventories		(1,674.85)	(316.50)
Increase/(decrease) in trade and other payables		2,777.36	(329.77)
(Increase)/decrease in margin money		10.77	1.11
Net change in working capital		(3,423.74)	(959.06)
Cash generated from operations		1,486.95	1,393.73
Direct taxes paid and others		(770.38)	(559.73)
Net cash flow from operating activities	A	716.57	834.00
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets, including capital advances		(22,950.14)	(2,419.72)
Proceeds from sale of fixed assets		33.70	13.69
Short-term investments in mutual funds (to the extent not considered as cash and cash equivalents)		(3,574.62)	(3,615.00)
Proceeds from sale of investment in mutual funds		3,928.69	-
Purchase of long-term investments		(821.15)	(1,050.66)
Investment in Oncobiologics Inc		-	(269.52)
Loan (given) / recovered to / from Oncobiologics Inc		203.12	(250.00)
Loan to others		(100.00)	-
Proceeds on disposal of long-term investments pertaining to discontinued operations (Refer note 33)		129.50	9,180.44
Proceeds from sale of long-term investments in subsidiaries (Refer note 34.B)		650.00	-
Expenses/claims relating to disposal of long-term investments		(6.62)	(242.54)
Tax relating to sale of long-term investments		(26.93)	(180.09)
Rental income from operating leases		66.26	130.16
Interest / dividends received		436.31	148.22
Expenses relating to merger and restructuring		(252.47)	(78.15)
Tax paid on dividends from subsidiaries		-	(848.09)
Net cash flow from investing activities	B	(22,284.35)	518.74

Consolidated Cash Flow Statement

for the year ended March 31, 2016

		For the year ended March 31, 2016	For the year ended March 31, 2015
₹ In Million			
G. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares		11,642.47	16.12
Share issue expenses		(326.66)	-
Proceeds from long-term borrowings (net of processing fees)		21,842.90	4,025.15
Repayment of long-term borrowings		(3,005.67)	(454.85)
Net increase / (decrease) in working capital and short-term borrowings		325.51	(362.62)
Dividends paid		(246.10)	(6,553.21)
Dividend distribution taxes paid (net of applicable taxes paid on dividend income from foreign subsidiaries)		(14.07)	(510.06)
Proceeds from issue of shares to minority shareholders		621.35	14.55
Dividend paid to minority shareholders		(5.19)	(6.41)
Interest paid on borrowings (Refer note (ii) below)		(1,347.08)	(381.17)
Net cash generated from financing activities	C	29,487.46	(4,212.50)
Net increase / (decrease) in cash and cash equivalents	(A+B+C)	7,919.68	(2,859.76)
Cash and cash equivalents at the beginning of the year		2,984.17	5,860.05
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		31.46	(16.12)
Cash and cash equivalents on account of merger and acquisitions (Refer note 35)		153.27	-
Cash and cash equivalents at the end of the year		11,088.58	2,984.17
Reconciliation of cash and cash equivalents with the balance sheet:			
Cash and cash equivalents as per balance sheet (Refer note 20)		3,107.70	1,468.85
Less: Balances in earmarked accounts not considered as cash and cash equivalents as defined in AS 3 'Cash Flow Statements'		(70.19)	(82.66)
Net cash and cash equivalents included in note 20		3,037.51	1,386.19
Add: Current investments considered as part of cash and cash equivalents as defined in AS 3 'Cash Flow Statements' (Refer note 17)		8,051.07	1,597.98
Net cash and cash equivalents at the end of the year*		11,088.58	2,984.17
* Comprises:			
Cash on hand		6.63	3.67
Balance with banks:			
- In current accounts		2,174.87	1,010.93
- In EEFC accounts		62.97	-
- In Escrow account		2.00	-
- In deposit accounts		788.19	371.59
- Funds-in-transit		2.85	-
Current investments considered as part of cash and cash equivalents		8,051.07	1,597.98
Total		11,088.58	2,984.17

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 ₹ 6.47 Million (Previous year ₹ 11.55 Million).

See accompanying notes forming part of the consolidated financial statements

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

For and on behalf of Board of Directors

V. Srikumar
Partner

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman &
Managing Director

Badree Komandur
Group CFO & Company Secretary
Bengaluru, May 16, 2016

Bengaluru, May 16, 2016

Notes

forming part of the consolidated financial statements

NOTE NO. 1 CORPORATE INFORMATION

Strides Shasun Limited (formerly 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 Bangalore, India and operates across many countries spreading across developed and emerging markets. Strides is listed on the BSE 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: 'Financial Instruments: Recognition and Measurement' read with AS 31 'Financial Instruments: Presentation' and AS 32 'Financial 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 Shasun 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, 2016.
- (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 jointly 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 / jointly controlled entities and such amounts are not set off between different entities. Goodwill arising on consolidation is not amortised but tested for impairment.
- (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.

Notes

forming part of the consolidated financial statements

- (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, 2016 held by	% ownership held either directly or through subsidiaries as at March 31, 2016	% ownership held either directly or through subsidiaries as at March 31, 2015
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	Alliance Pharmacy Pty Limited	Subsidiary	Australia	Pharmacy Alliance Group Holdings Pty Limited	100%	-
4	Altima Innovations Inc.	Subsidiary	USA	Strides Pharma (UK) Limited	100%	100%
5	Arrow Pharma Pte Limited (formerly Strides Remedies Pte Limited)	Subsidiary	Singapore	Strides Pharma Global Pte Limited	95%	-
6	Arrow Pharma (Pvt) Limited (formerly Lex Pharma Lanka (Private) Limited)	Subsidiary	Sri Lanka	Arrow Pharma Pte Limited (formerly Strides Remedies Pte Limited)	100%	-
7	Arrow Pharma Life Inc	Subsidiary	Philippines	Arrow Pharma Pte Limited (formerly Strides Remedies Pte Limited)	100%	-
8	Arrow Pharma Pty Limited (formerly Strides (Australia) IP Pty Limited)	Subsidiary	Australia	Strides Arcolab (Australia) Pty Limited	100%	-
9	Arrow Pharmaceuticals Pty Limited (formerly Strides (Australia) Pharma Pty Limited)	Subsidiary	Australia	Strides Arcolab (Australia) Pty Limited	100%	-
10	Arrow Remedies Private Limited (formerly Lex Pharma Private Limited)	Subsidiary	India	Arrow Pharma Pte Limited (formerly Strides Remedies Pte Limited)	100%	-
11	Beltapharm S.p.A	Subsidiary	Italy	Strides Pharma (UK) Limited	96.57%	96.57%
12	Chemsynth Laboratories Private Limited	Associate	India	Strides Shasun Limited	49%	-
13	Congo Pharma SPRL	Subsidiary	Congo	Strides Pharma (Cyprus) Limited	85%	85%
14	Fagris Medica Private Limited	Subsidiary	India	Strides Shasun Limited	90%	90%
15	Pharmacy Alliance Group Holdings Pty Limited	Subsidiary	Australia	Pharmacy Alliance Investments Pty Limited	51%	-
16	Pharmacy Alliance Investments Pty Limited	Subsidiary	Australia	Arrow Pharmaceuticals Pty Limited (formerly Strides (Australia) Pharma Pty Limited)	100%	-
17	Pharmacy Alliance Pty Limited	Subsidiary	Australia	Pharmacy Alliance Group Holdings Pty Limited	100%	-
18	Shasun NBI LLC	Joint venture	USA	Strides Shasun Limited	50%	-
19	Shasun Pharma Solutions Inc.	Subsidiary	USA	SVADS Holdings SA	100%	-
20	Shasun Pharma Solutions Limited	Subsidiary	UK	SVADS Holdings SA	100%	-
21	Shasun USA Inc.	Subsidiary	USA	Strides Shasun Limited	100%	-
22	Sorepharma SA	Subsidiary	Burkino Faso	79% held by Strides Pharma (Cyprus) Limited & 1% held by Strides Arcolab International Limited	80%	80%
23	SPC Co. Limited	Subsidiary	Sudan	Strides Pharma (Cyprus) Limited	51%	51%

Notes

forming part of the consolidated financial statements

Sl. No	Name of the entity	Relationship	Country of incorporation	Ownership at March 31, 2016 held by	% ownership held either directly or through subsidiaries as at March 31, 2016	% ownership held either directly or through subsidiaries as at March 31, 2015
24	Stabilis Pharma Inc.	Subsidiary	USA	SVADS Holdings SA	100%	-
25	Stelis Biopharma Private Limited	Subsidiary	India	Strides Shasun Limited	74.90%	100%
26	Stelis Biopharma (Malaysia) SDN. BHD	Subsidiary	Malaysia	Stelis Biopharma Private Limited	100%	100%
27	Strides Africa Limited	Subsidiary	British Virgin Islands	Strides Pharma International Limited	100%	100%
28	Strides Arcolab (Australia) Pty Limited	Subsidiary	Australia	Strides Pharma Global Pte Limited	100%	-
29	Strides Arcolab International Limited	Subsidiary	UK	Strides Shasun Limited	100%	100%
30	Strides Biologix Private Limited	Subsidiary	India	Strides Shasun Limited	51%	-
31	Strides CIS Limited	Subsidiary	Cyprus	Strides Pharma Global Pte Limited	100%	100%
32	Strides Emerging Markets Private Limited	Subsidiary	India	Strides Pharma (Cyprus) Limited	100%	100%
33	Strides Healthcare Private Limited	Subsidiary	India	Strides Shasun Limited	74%	74%
34	Strides Pharma (Cyprus) Limited	Subsidiary	Cyprus	Strides Pharma Global Pte Limited	100%	100%
35	Strides Pharma (SA) Pty Limited	Subsidiary	South Africa	Strides Pharma (Cyprus) Limited	100%	-
36	Strides Pharma (UK) Limited	Subsidiary	UK	90% held by Strides Arcolab International Limited & 10% held by Strides Pharma Inc	100%	-
37	Strides Pharma Asia Pte. Limited	Subsidiary	Singapore	Strides Shasun Limited	100%	100%
38	Strides Pharma Botswana (Pty) Limited	Subsidiary	Botswana	Strides Pharma (Cyprus) Limited	70%	70%
39	Strides Pharma Cameroon Limited	Subsidiary	Cameroon	Strides Pharma (Cyprus) Limited	85%	85%
40	Strides Pharma Global Pte Limited	Subsidiary	Singapore	Strides Pharma Asia Pte Limited	100%	100%
41	Strides Pharma Inc.	Subsidiary	USA	Strides Arcolab International Limited	100%	100%
42	Strides Pharma International Limited	Subsidiary	Cyprus	Strides Shasun Limited	100%	100%
43	Strides Pharma Limited	Subsidiary	Cyprus	Strides Pharma International Limited	100%	100%
44	Strides Pharma Mozambique	Subsidiary	Mozambique	Strides Pharma (Cyprus) Limited	51%	51%
45	Strides Pharma Namibia Pty Limited	Subsidiary	Namibia	Strides Pharma (Cyprus) Limited	70%	70%
46	Strides Pharmaceuticals (Holdings) Limited (merged with Strides Pharma International Limited)	Subsidiary	Cyprus	Strides Pharma International Limited	-	100%
47	Strides Shasun (UK) Limited (formerly Co-Pharma Limited)	Subsidiary	UK	Strides Pharma (UK) Limited	100%	100%
48	Strides Specialties (Holdings) Limited	Subsidiary	Mauritius	Strides Pharma Global Pte Limited	100%	100%
49	Strides Vital Nigeria Limited	Subsidiary	Nigeria	Strides Pharma (Cyprus) Limited	74%	74%
50	SVADS Holdings SA	Subsidiary	Switzerland	Strides Shasun Limited	100%	-

Notes

forming part of the consolidated financial statements

- (f) In respect of entities in sl. no. 3, 11, 14, 15, 17, 25, 34, 47, 49 (previous year 11, 14, 25, 34, 47, 49) 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:
- Investments held in Strides Shasun (UK) Limited, UK (formerly Co-Pharma Limited) and Beltapharm S.p.A, Italy were transferred from Strides Pharma Limited, Cyprus to Strides Arcolab International Limited, UK (SAIL) and from SAIL to Strides Pharma (UK) Limited, UK.
 - Investments held in Altima Innovations Inc, USA and Oncobiologics, USA were transferred from Strides Pharma Inc, USA to Strides Pharma (UK) Limited, UK.
 - Investment held in Strides Pharma (UK) Limited, UK was transferred from SAIL, UK to Strides Pharma Inc, USA.
 - Strides Pharmaceuticals (Holdings) Limited, Cyprus has been merged with Strides Pharma International Limited, Cyprus.
 - Investment held in Strides CIS Limited, Cyprus was transferred from Strides Pharma Limited, Cyprus to Strides Pharma Global Pte Limited, Singapore.
- (h) During the year, following entities have been incorporated within the Group:
- Arrow Pharma Life Inc., Philippines
 - Lex Pharma Lanka (Private) Limited, Sri Lanka renamed to Arrow Pharma (Private) Limited, Sri Lanka
 - Lex Pharma Private Limited, India renamed to Arrow Remedies Private Limited, India
 - Pharmacy Alliance Investments Pty Limited, Australia
 - Strides (Australia) IP Pty Limited, Australia renamed to Arrow Pharma Pty Limited, Australia
 - Strides (Australia) Pharma Pty Limited, Australia renamed to Arrow Pharmaceuticals Pty Limited, Australia
 - Strides Arcolab (Australia) Pty Limited, Australia
 - Strides Biologix Private Limited, India
 - Strides Pharma (UK) Limited, UK
 - Strides Remedies Pte Limited, Singapore renamed to Arrow Pharma Pte Limited, Singapore
- (i) On completion of the merger of Shasun with the Company, the following entities of the erstwhile Shasun have become subsidiaries of the Group. Also refer note 35(a).
- Chemsynth Laboratories Private Limited, India
 - Shasun NBI LLC, USA
 - Shasun Pharma Solutions Inc., USA
 - Shasun Pharma Solutions Limited, UK
 - Shasun USA Inc., USA
 - Stabilis Pharma Inc., USA
 - SVADS Holdings SA, Switzerland
- (j) The consolidated financial statements include the Group's share of assets, liabilities, income and expenses, which are included on the basis of un-audited financial statements, in respect of the following subsidiaries / joint venture:
- Akorn Strides LLC, USA
 - Alliance Pharmacy Pty Limited, Australia
 - Altima Innovations Inc., USA
 - Arrow Pharma Pte Limited, Singapore
 - Arrow Pharma Pty Limited, Australia
 - Arrow Pharma (Private) Limited, Sri Lanka
 - Arrow Pharma Life Inc., Philippines
 - Congo Pharma SPRL, Congo
 - Pharmacy Alliance Group Holdings Pty Limited, Australia
 - Pharmacy Alliance Investments Pty Limited, Australia
 - Pharmacy Alliance Pty Limited, Australia
 - Shasun NBI LLC, USA
 - Shasun Pharma Solutions Inc., USA

Notes

forming part of the consolidated financial statements

- Shasun USA Inc., USA
- Sorepharma SA, Burkino Faso
- SPC Co. Limited, Sudan
- Stabilis Pharma Inc., USA
- Strides Africa Limited, British Virgin Islands
- Strides CIS Limited, Cyprus
- Strides Pharma (SA) Pty Limited, South Africa
- Strides Pharma (UK) Limited, UK
- Strides Pharma Botswana (Pty) Limited, Botswana
- Strides Pharma Cameroon Limited, Cameroon
- Strides Pharma Limited, Cyprus
- Strides Pharma Mozambique, Mozambique
- Strides Pharma Namibia Pty Limited, Namibia
- Strides Specialties (Holdings) Limited, Mauritius
- SVADS Holdings SA, Switzerland

(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

Notes

forming part of the consolidated financial statements

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 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 years to 20 years
Software Licenses	:	5 years

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

6. Revenue recognition

- 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.
- Revenue from product development services:
 - In respect of contracts where the Group undertakes to develop products for its customers (on an end-to end basis), revenues are recognised based on technical estimates of the stage of work completed under the contracts.
 - In respect of other contracts where the Group performs specifically identified services in the development of the products, revenues are recognised on the basis of the performance milestones provided in the contract.

- Revenue from contract manufacturing is recognised based on the services rendered in accordance with the terms of the contract.
- 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.
- Income from rendering advisory / support services is recognised based on contractual terms.
- 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.

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.

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

Notes

forming part of the consolidated financial statements

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.

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 amortisation 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 note 2.B.18 below.

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.

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

Notes

forming part of the consolidated financial statements

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

Integral foreign operations: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Consolidated 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 are accumulated in Exchange Reserve until disposal / recovery of the net investment, in which case the accumulated balance in Exchange 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 on translation of balances relating to non-integral foreign operations are accumulated in Exchange reserve until disposal of the operation, in which case the accumulated balance in Exchange Reserve is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

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 note 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 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:

Notes

forming part of the consolidated financial statements

- (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 Securities Exchange Board of India (Share Based Employee Benefit) Regulations 2014. 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 amortised 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 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 recognised 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.

Notes

forming part of the consolidated financial statements

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 capitalised 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 recognised as operating leases. Lease rentals under operating leases are recognised 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.

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

Notes

forming part of the consolidated financial statements

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.

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 recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised 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

Notes

forming part of the consolidated financial statements

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 amortised 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 derecognised 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 Institute of Chartered Accountant of India. 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, 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

Notes

forming part of the consolidated financial statements

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 (ii) intra-group loans;
- (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.

	March 31, 2016	₹ In Million March 31, 2015
NOTE NO. 3 SHARE CAPITAL		
Authorised		
176,750,000 (Previous year 89,750,000) Equity shares of ₹ 10/- each with voting rights (Refer note 35(a))	1,767.50	897.50
Nil (Previous year 620,000) 6% Cumulative redeemable preference shares of ₹ 1,000/- each (Refer note 35(a))	-	620.00
Total	1,767.50	1,517.50
Issued, subscribed and fully paid-up		
89,345,978 (Previous Year 59,615,621) Equity shares of ₹10/- each with voting rights	893.46	596.16
Total	893.46	596.16

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, 2016		March 31, 2015	
	No. of Shares	₹ In Million	No. of Shares	₹ In Million
Equity share of ₹ 10/- each				
Opening balance	59,615,621	596.16	59,565,621	595.66
- Issued pursuant to employee stock option plans (Refer note 40)	85,000	0.85	50,000	0.50
- Issued pursuant to the scheme of amalgamation (Refer note 35(a))	21,017,329	210.17	-	-
- Issued pursuant to the qualified institutional placement (Refer note 38)	8,628,028	86.28	-	-
Closing balance	89,345,978	893.46	59,615,621	596.16

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.

Notes

forming part of the consolidated financial statements

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

Particulars	March 31, 2016		March 31, 2015	
	No. of Shares	%	No. of Shares	%
Pronomz Ventures LLP	12,665,000	14.18%	12,665,000	21.24%
DB International (Asia) Limited	-	-	3,963,972	6.65%

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

Particulars	No. of Shares	
	March 31, 2016	March 31, 2015
Towards employee stock options under the various Strides stock option plans (including 48,875 stock options to be issued to employees of erstwhile Shasun pursuant to the scheme of amalgamation, refer note 35(a) for further details)	335,000	1,890,450
Total	335,000	1,890,450

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 4 RESERVES AND SURPLUS		
Capital reserve (on forfeiture of monies received towards share warrants)		
Opening balance	225.60	225.60
Add: Pursuant to the scheme of amalgamation (Refer note 35(a))	3.00	-
Less: Excess of share capital issued by the Company over the capital of the Transferor company pursuant to the merger (Refer note 35(a))	(75.66)	-
Closing balance	152.94	225.60
Capital redemption reserve		
Opening balance	551.61	551.61
Add: Pursuant to the scheme of amalgamation (Refer note 35(a))	50.00	-
Closing balance	601.61	551.61
Securities premium account		
Opening balance	6,013.74	5,995.28
Add: Pursuant to the scheme of amalgamation (Refer note 35(a))	1,381.78	-
Add: Premium on shares issued during the year (Refer note (iv) below)	11,743.87	18.46
Less: Shares issue expenses (Refer note 38)	(326.66)	-
Closing balance	18,812.73	6,013.74
Share options outstanding account (Refer note 40)		
Opening balance	28.20	22.74
Add: Pursuant to the scheme of amalgamation (Refer note 35(a))	4.79	-
Add: Amounts recorded on grants / (cancellations) during the year	-	8.30
Less: Transferred to securities premium account on exercise (net)	(7.53)	(2.84)
	25.46	28.20
Less: Deferred stock compensation expenses	(8.39)	(20.12)
Closing balance	17.07	8.08
General reserve		
Opening balance	3,486.26	4,046.98
Add: Pursuant to the scheme of amalgamation (Refer note 35(a))	471.44	-
Less: Transferred to Surplus in Statement of Profit and Loss	-	(560.72)
Closing balance	3,957.70	3,486.26
Exchange reserve (on consolidation)		
Opening balance	4,389.20	4,569.66
Add: Pursuant to the scheme of amalgamation (Refer note 35(a))	(12.36)	-
Add/(Less): Effect of foreign exchange rate variations during the year	450.57	(180.46)
Closing balance	4,827.41	4,389.20

Notes

forming part of the consolidated financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 4 RESERVES AND SURPLUS		
Foreign currency monetary items translation difference account		
Opening balance	-	-
Add: Pursuant to the scheme of amalgamation (Refer note 35(a))	(4.22)	-
Less: Transferred to Statement of Profit and Loss (Refer note 35(a))	4.22	-
Closing balance	-	-
Hedging reserve (Refer note 51.1)		
Opening balance	90.40	81.18
Add: Effect of foreign exchange rate variations on hedging instruments outstanding during the year	15.94	165.81
Add/(Less) : Transferred to Statement of Profit and Loss	33.96	(156.59)
Closing balance	140.30	90.40
Capital reserve on consolidation	0.23	0.21
Surplus in Statement of Profit and Loss		
Opening balance	(3,912.04)	(5,999.92)
Add: Pursuant to the scheme of amalgamation (Refer note 35(a))	1,573.28	-
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))	(8.67)	(29.15)
Add: Profit for the year	2,089.36	8,449.99
Add: Transferred from general reserve	-	560.72
Less: Special dividend on equity shares (Nil, previous year ₹ 105 per share)	-	(6,254.39)
Interim dividend on equity shares (₹ 1 per share, previous year ₹ Nil) (Refer note (iii) below)	(67.22)	-
Proposed dividend on equity shares (₹ 4 per share, previous year ₹ 3 per share)(Refer note (ii) below)	(357.41)	(178.85)
Tax on interim dividend (Refer note (iii) below)	(14.07)	-
Tax on special dividend (Refer note (i) below)	-	(460.44)
Tax on proposed dividend	(74.80)	-
Closing balance	(771.57)	(3,912.04)
Total	27,738.42	10,853.06

Note:

- (i) Tax on special dividend and proposed dividend is after factoring credit on account of dividend income from wholly-owned foreign subsidiaries.
- (ii) Proposed dividend includes Rs 0.03 Million related to previous year on additional shares issued before the annual general meeting.
- (iii) Interim dividend is declared by erstwhile Shasun Pharmaceutical Limited ('Shasun') between the appointed date and effective date of the merger (Refer note 35(a)).
- (iv) Premium on shares issued during the year includes a sum of ₹ 772.15 Million received against allotment of equity shares by erstwhile Shasun to its shareholders after appointed date of merger but prior to effective date of merger (Refer note 35(a)).

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 5 LONG-TERM BORROWINGS		
Secured		
- Term loans from banks (Refer note (i) to (xii) below)	23,261.03	1,768.72
- Term loans from others (Refer note (xiii) to (xv) below)	3,790.49	733.57
- Finance lease obligation (Refer note (xvi) to (xviii) below)	95.75	-
Unsecured		
- Term loans others (Refer note (xix) to (xx) below)	307.57	171.59
Total	27,454.84	2,673.88

Notes

forming part of the consolidated financial statements

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

	₹ In Million	
	March 31, 2016	March 31, 2015
Terms of repayment and security		
(i) Term loans from banks: Loan 1		
Long-term loan	8.26	-
Current maturities of long-term loan	5.06	0.23
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. The outstanding term as at March 31, 2016 varies between 28 to 32 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 5% for the average tenor payable at half yearly intervals		
Repayment terms : 12 unequal half yearly installments commencing after 48 months from initial disbursement date. The loan has been prepaid.		
(iii) Term loans from banks: Loan 3		
Long-term loan	3,610.90	-
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 + 2.40% p.a.		
Repayment terms : Repayable in single bullet payment during September 2017.		
(iv) Term loans from banks: Loan 4		
Long-term loan	889.54	1,640.13
Current maturities of long-term loan	849.11	781.31
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, 2016 is 8 installments.		
(v) Term loans from banks: Loan 5		
Long-term loan	3,000.00	-
Current maturities of long-term loan	-	-
Security: Charge on brands and IP's present and future, ensuring 1.25 times security cover.		
Rate of interest: Bank base rate + 0.25% p.a.		
Repayment terms: 14 unequal quarterly installments commencing after 18 months from initial utilization date. The outstanding term as at March 31, 2016 is 14 installments.		
(vi) Term loans from banks: Loan 6		
Long-term loan	188.92	-
Current maturities of long-term loan	132.50	-
Security: Pari-passu first charge on fixed assets in formulation unit & active pharmaceutical ingredient unit located at Pondicherry; multi product unit located at Cuddalore; research center located at Vandalur; dispensary located at Pondicherry; land located in Periya Kalapet village and pari-passu second charge on the entire current assets.		
Rate of interest: six month LIBOR + 3.00% to 4.50% p.a.		
Repayment terms: Repayable in 16 equal quarterly installments commencing after 15 months from initial utilization date. The outstanding term as at March 31, 2016 varies between 2 to 14 installments.		

Notes

forming part of the consolidated financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
Terms of repayment and security		
(vii) Term loans from banks: Loan 7		
Long-term loan	1,548.19	-
Current maturities of long-term loan	393.90	-
Security: Pari-passu first charge on the entire fixed assets of the Company, existing and future, on pari-passu basis with other existing term lenders and second charge on current assets of the Company on pari-passu basis with other term lenders		
Rate of interest: Bank base rate + 1.05% p.a. / 3 months LIBOR + 3.00% p.a.		
Repayment terms: 66 equal monthly installments commencing after 6 months from initial utilization date. The outstanding term as at March 31, 2016 is 66 installments.		
(viii) Term loans from banks: Loan 8		
Long-term loan	9,938.29	-
Current maturities of long-term loan	264.98	-
Security: Pari-passu first charge on the sub escrow account; exclusive first charge on all the fixed assets, intangible assets and current assets of the borrowing subsidiary, both present and future		
Rate of interest: three month LIBOR + 4.15% p.a.		
Repayment terms: 14 structured half yearly installments commencing after 18 months from date of first disbursement. The outstanding term as at March 31, 2016 is 14 installments.		
(ix) Term loans from banks: Loan 9		
Long-term loan	2,937.68	-
Current maturities of long-term loan	225.98	-
Security: Pari-passu first charge on the sub escrow account; exclusive first charge on all the fixed assets, intangible assets and current assets of the borrowing subsidiary, both present and future		
Rate of interest: three month LIBOR + 4.80% p.a.		
Repayment terms: 10 structured half yearly installments commencing after 18 months from date of first disbursement. The outstanding term as at March 31, 2016 is 10 installments.		
(x) Term loans from banks: Loan 10		
Long-term loan	682.00	-
Current maturities of long-term loan	-	-
Security: First pari-passu charge of movable and immovable assets of the Groups' subsidiary Stelis Biopharma Private Limited ('Stelis') including current assets and pledge of 30% of shares in the Stelis held by the Company in Stelis.		
Rate of interest: 3 month's LIBOR + 3.65% p.a.		
Repayment terms: 28 quarterly installments commencing from 27 months from initial utilisation. The outstanding term as at March 31, 2016 is 28 installments.		
(xi) Term loans from banks: Loan 11		
Long-term loan	162.88	-
Current maturities of long-term loan	81.56	-
Security: Standby Line of Credit		
Rate of interest: 6 month LIBOR + 400 bps		
Repayment terms: Repayable in 14 equal quarterly installments after an initial moratorium period of 12 months. The outstanding term as at March 31, 2016 is 12 installments.		
(xii) Term loans from banks: Loan 12		
Long-term loan	294.38	-
Current maturities of long-term loan	107.05	-
Security: Charge over all fixed assets and moveable assets of Shasun Pharma Solutions Limited, UK and corporate guarantee by the ultimate parent company, Strides Shasun Limited.		
Rate of interest: LIBOR + 3.15% p.a.		
Repayment terms: Repayable in 16 equal quarterly installments. The outstanding term as at March 31, 2016 is 15 installments.		

Notes

forming part of the consolidated financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
Terms of repayment and security		
(xiii) Term loans from others:		
Long-term loan	675.00	731.25
Current maturities of long-term loan	56.25	18.75
Security: Hypothecation of assets procured from the term loans. Rate of interest: Long term minimum lending rate + 2.50% p.a. Repayment: 18 unequal quarterly installments commencing after 30 months from initial disbursement date. The outstanding term as at March 31, 2016 is 17 installments.		
(xiv) Term loans from others:		
Long-term loan	3,114.22	-
Current maturities of long-term loan	-	-
Security: Charge on fixed assets of the Company, (other than land and building situated at Navi Mumbai, Palghar and Hosur), charge will be shared with existing ECB & term lender, hypothecation of the pharma brands / IPs Rate of interest: three month LIBOR + 3.65% p.a. Repayment terms: 14 unequal half yearly installments commencing after 18 months from initial utilization date. The outstanding term as at March 31, 2016 is 14 installments.		
(xv) Long-term loans from others:		
Long-term loan	1.27	2.32
Current maturities of long-term loan	1.07	0.97
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. The outstanding term as at March 31, 2016 is 25 installments.		
(xvi) Finance lease obligation:		
Long-term maturity of finance lease obligation	56.61	-
Current maturities of finance lease obligation	15.32	-
Rate of interest: 10.37% p.a. Repayment terms: Repayable in 20 quarterly installments commencing from July 2015. The outstanding term as at March 31, 2016 is 17 installments.		
(xvii) Finance lease obligation:		
Long-term maturity of finance lease obligation	6.71	-
Current maturities of finance lease obligation	3.93	-
Security: Leased assets Rate of interest: 5.9% p.a. Repayment terms: Repayable in 60 equal monthly installments.		
(xviii) Finance lease obligation:		
Long-term maturity of finance lease obligation	32.42	-
Current maturities of finance lease obligation	4.47	-
Security: Leased assets Rate of interest: 6.2% p.a. Repayment terms: Repayable in 84 equal monthly installments. The outstanding term as at March 31, 2016 is 81 installments.		
(xix) Unsecured Long-term loans from others:		
Long-term loan	307.57	171.59
Current maturities of long-term loan	-	5.37
Rate of interest: Nil Repayment terms: Repayable as and when the funds permit.		
(xx) Unsecured Long-term loans from others:		
Long-term loan	-	-
Current maturities of long-term loan	1.86	-
Rate of interest: 11.86% p.a. Repayment terms: Repayable in 16 quarterly installments. The outstanding term as at March 31, 2016 is 4 installments.		
Total	29,597.88	6,886.76

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

	₹ In Million	
	March 31, 2016	March 31, 2015
Particulars		
Term loans from banks (secured and unsecured and including current maturities of these loans)	2,469.90	3,171.44
Total	2,469.90	3,171.44

Notes

forming part of the consolidated financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 6(a) DEFERRED TAX LIABILITIES (NET)		
Tax effect on items constituting deferred tax liability:		
- On difference between book balance and tax balance of fixed assets	575.73	-
Tax effect on items constituting deferred tax asset:		
- Provision for compensated absences, gratuity, other employee benefits and provision for doubtful debts / advances	(214.81)	-
Deferred tax liabilities (net)	360.92	-

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 6(b) DEFERRED TAX ASSETS (NET)		
Tax effect on items constituting deferred tax liability:		
- On difference between book balance and tax balance of fixed assets	(204.20)	(130.02)
- On disallowances	(3.61)	-
Tax effect on items constituting deferred tax asset:		
- Provision for compensated absences, gratuity, other employee benefits and provision for doubtful debts / advances	48.19	174.57
- Unabsorbed depreciation carried forward / brought forward business losses	370.81	9.33
Deferred tax assets (net)	211.19	53.88

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 7 OTHER LONG-TERM LIABILITIES		
Others:		
- Gratuity and other benefits (Refer note 41)	126.72	123.68
- Security deposits	55.45	49.25
- Lease equalisation liability	4.03	4.70
Total	186.20	177.63

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 8 LONG-TERM PROVISIONS		
Provision for employee benefits:		
- Compensated absences	127.59	60.24
Total	127.59	60.24

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 9 SHORT-TERM BORROWINGS		
Secured loans repayable on demand from banks: (Refer note below)		
- Working capital loans	6,695.38	1,741.00
- Short-term loans	239.56	225.98
Unsecured loans		
- Loans repayable on demand from banks and others	80.19	63.33
Total	7,015.13	2,030.31

Note:

Details of security for the secured loans repayable on demand: 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 ₹ 243.60 Million (previous year ₹ 415 Million).

Notes

forming part of the consolidated financial statements

	March 31, 2016	₹ In Million March 31, 2015
NOTE NO. 10 TRADE PAYABLES		
Trade payables:		
- Total outstanding dues of micro enterprises and small enterprises	69.39	18.83
- Total outstanding dues of creditors other than micro and small enterprises		
- Acceptances	1,402.80	304.92
- Other than acceptances	6,320.86	2,020.35
Total	7,793.05	2,344.10

	March 31, 2016	₹ In Million March 31, 2015
NOTE NO. 11 OTHER CURRENT LIABILITIES		
Current maturities of secured term loans from banks (Refer note 5 above)	2,119.32	4,212.88
Current maturities of finance lease obligations (Refer note 5 above)	23.72	-
Interest accrued but not due on borrowings	156.43	28.15
Unclaimed dividends	68.52	67.55
Other payables:		
- Statutory remittances	240.65	103.21
- Payables on purchase of fixed assets	81.73	25.95
- Payables on purchase of non-current investments (Refer note 35(d)(i))	1.70	1.70
- Trade deposits received	16.10	17.71
- Advances from customers	139.72	63.51
- Book overdraft	64.33	-
- Gratuity and other benefits (Refer note 41)	37.01	4.01
- Others	530.04	500.00
Total	3,479.27	5,024.67

	March 31, 2016	₹ In Million March 31, 2015
NOTE NO. 12 SHORT-TERM PROVISIONS		
Provision for employee benefits:		
- Compensated absences	121.01	51.31
- Payables to employees under incentive plan	28.27	78.40
Provision - Others:		
- Provision for tax (net of advance tax)	532.59	491.76
- Proposed equity dividend	357.38	178.85
- Tax on proposed dividends	74.80	-
Total	1,114.05	800.32

Notes

forming part of the consolidated financial statements

NOTE NO. 13 FIXED ASSETS

Particulars	Gross block				Depreciation / amortisation				Net block					
	As at April 1, 2015	Adjustments during the year	Other adjustments	Disposal	Pursuant to Merger and acquisition (Refer note 35(a) and 53.2)	As at April 1, 2015	Adjustments	For the year	Withdrawals	Acquisitions through business combinations (Refer note 35(a) and 53.2)	Other adjustments / Transition adjustment recorded against Surplus balance in Statement of Profit and Loss (Refer note (vii) below)	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible assets:														
Freehold Land	934.57	0.11	69.07	-	102.06	-	-	-	-	-	-	-	1,105.81	934.57
	931.93	-	2.64	-	934.57	-	-	-	-	-	-	-	934.57	931.93
Leasehold Land	83.35	2.23	6.21	0.28	29.15	12.31	0.74	0.29	0.01	2.58	-	15.91	104.75	71.04
	88.35	(5.04)	0.04	-	83.35	12.06	(1.51)	1.76	-	-	-	12.31	71.04	76.29
Leasehold Improvements	-	-	-	-	1.61	-	-	-	-	1.61	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	1,810.21	25.69	473.02	46.99	1,349.68	437.40	14.82	159.91	6.44	291.68	-	897.37	2,714.24	1,372.81
	1,617.38	(48.20)	241.03	-	1,810.21	384.65	(21.29)	74.04	-	-	-	437.40	1,372.81	1,232.73
Plant and equipments	3,600.31	105.13	1,043.19	298.22	7,816.20	1,801.28	38.41	770.93	168.56	3,906.20	12.94	6,361.20	5,905.41	1,799.03
	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	1,302.96
Furniture and fixtures	147.71	1.97	19.42	1.79	65.79	43.10	1.79	21.55	1.19	39.00	-	104.25	128.85	104.61
	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	126.03
Vehicles	79.02	3.57	33.22	49.71	47.67	45.50	2.95	15.15	32.01	25.15	-	56.74	57.03	33.52
	78.94	(5.50)	11.15	4.97	79.02	46.98	(4.15)	7.64	4.97	-	-	45.50	33.52	31.96
Office equipments	168.11	4.32	230.72	13.30	401.66	127.86	3.71	95.37	11.25	260.45	-	476.14	315.37	40.25
	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	39.95
Total [A]	6,823.28	143.02	1,874.85	410.29	9,813.82	2,467.45	62.42	1,063.20	219.46	4,526.67	12.94	7,913.22	10,331.46	4,355.83
Previous year	5,905.87	(159.79)	1,122.15	44.95	6,823.28	2,164.62	(99.68)	394.13	35.27	0.22	43.43	2,467.45	4,355.83	3,741.25
Intangible assets:														
- Internally generated:														
- Registrations	146.60	-	37.19	-	-	67.88	-	40.05	-	-	-	107.93	75.86	78.72
	51.69	-	94.91	-	146.60	39.85	-	28.03	-	-	-	67.88	78.72	11.84
- Others:														
- Registration and brands (Refer note 35(b))	2,167.66	13.34	6,843.71	4.76	71.12	1,050.00	7.58	419.13	4.08	69.49	-	1,542.12	7,548.95	1,117.66
	1,795.11	(10.07)	677.04	0.16	2,94.58	1,158.24	(5.28)	175.33	278.97	0.13	0.55	1,050.00	1,117.66	636.87
- Goodwill (Refer note 35(b))	-	-	4,408.31	-	-	-	-	-	-	-	-	-	4,408.31	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Software licenses	299.56	1.39	61.15	1.50	63.71	206.57	4.50	50.44	1.53	52.68	-	312.66	111.65	92.99
	286.67	(1.74)	14.63	0.05	299.56	165.32	(1.58)	42.83	0.05	0.05	-	206.57	92.99	121.35
Total [B]	2,613.82	14.73	11,350.36	6.26	134.83	1,324.45	12.08	509.62	5.61	122.17	-	1,962.71	12,144.77	1,289.37
Previous year	2,133.47	(11.81)	786.58	0.21	294.63	1,363.41	(6.86)	246.19	279.02	0.18	0.55	1,324.45	1,289.37	770.06
Grand Total [A+B]	9,437.10	157.75	13,225.21	416.55	9,948.65	3,791.90	74.50	1,572.82	225.07	4,648.84	12.94	9,875.93	22,476.23	5,645.20
Previous year	8,039.34	(171.60)	1,908.73	0.21	339.58	3,528.03	(106.54)	640.32	314.29	0.40	43.98	3,791.90	5,645.20	4,511.31

Notes:

(i) Figures in italics relates to previous year.

(ii) Current year additions to fixed assets includes ₹ 6.47 Million (Previous year ₹ 11.55 Million) relating to interest expense capitalised as per Accounting Standard 16 'Borrowing Costs'.

Notes

forming part of the consolidated financial statements

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

Particulars	Gross block		Net block	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Vehicles	25.18	16.97	20.60
Total	25.18	16.97	20.60	9.73

₹ In Million

(iv) Details of capital commitment:

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances):		
- Tangible assets	1,611.51	208.47
- Intangible assets	45.15	99.40
Total	1,656.66	307.87

(v) Details of assets given under an operating lease:

Particulars	Gross block		Net block	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Freehold Land	115.96	115.96	115.96
Buildings	710.23	789.17	621.60	695.88
Plant and equipments	-	49.55	-	31.76
Furniture and fixtures	-	38.82	-	18.73
Office equipments	-	0.79	-	0.06
Total	826.19	994.29	737.56	862.39

₹ In Million

(vi) Details of assets taken on finance lease:

Particulars	Gross block		Net block	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Plant & equipments	53.38	-	51.76
Office equipments	87.99	-	74.77	-
Total	141.37	-	126.53	-

₹ In Million

(vii) During the previous 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. In accordance with the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company had 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 had 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 for the year ended March 31, 2015 is higher by ₹ 36.34 Million consequent to the change in the useful life of the assets.

In the current year, the Company has complied with provision on componentisation of fixed assets prescribed by Schedule II of the Companies Act, 2013. In accordance with transition provision prescribed by Schedule II of the Companies Act, 2013, the Company has debited a sum of ₹ 8.67 Million (net of deferred tax of ₹ 4.27 Million) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

(viii) Disposal of fixed assets and withdrawal of accumulated depreciation above includes Rs.198.33 Million and Rs. 34.39 Million respectively pertaining to the exchange fluctuations on long-term monetary items capitalised by erstwhile Shasun Pharmaceuticals Limited, which have been charged off to the Statement of Profit and Loss under exceptional items in order to align with the Company's accounting policy as explained in Note 35(a).

Notes

forming part of the consolidated financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 14 NON-CURRENT INVESTMENTS		
Investments in equity shares:		
- 1,050 (As at March 31, 2015: 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, 2015: 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, 2015: 6,000,000) shares in Oncobiologics Inc, USA	728.81	687.56
- 4,242 (As at March 31, 2015: Nil) shares of ₹ 100 each fully paid up in SIPCOT Industrial Common Utilities Limited, India (Refer note 35(a))	0.42	-
- 862,000 (As at March 31, 2015: Nil) shares of ₹ 10 each fully paid up in Clarion Wind Farm Private Limited, India (Refer note 35(a))	8.85	-
- 111,368 (As at March 31, 2015: Nil) shares of ₹ 10 each fully paid up in Beta Wind Farm Private Limited, India (Refer note 35(a))	3.34	-
- 45,000 (As at March 31, 2015: Nil) shares of ₹ 10 each fully paid up in Tulysan Lec Limited, India (Refer note 35(a))	1.35	-
Investments in preference shares:		
- 1,609,070 (As at March 31, 2015: Nil) preference shares of USD 0.001 each fully paid up in Aponia Laboratories Inc, USA (Refer note 35(a))	221.07	-
Total	963.84	687.56
Aggregate amount of unquoted investments (net of provision for diminution in value of investments, other than temporary ₹ 219.75 Million (previous year ₹ 219.75 Million))	963.84	687.56

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 15 LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good:		
- Capital advances	480.39	128.83
- Security deposits	245.19	78.34
- Loans and advances to:		
- Employees	10.62	-
- Others	180.35	-
- Prepaid expenses	744.35	-
- MAT credit entitlement	628.49	-
- Advance income tax (net of provisions)	348.86	291.12
Balances with government authorities:		
- VAT credit receivable	1.36	2.49
- Taxes paid under protest	556.74	466.40
Others:		
- Receivable from KIADB	6.44	6.44
Unsecured, considered doubtful:		
- Loans and advances to suppliers:		
- Doubtful	485.48	534.06
- Less: Provision for doubtful loans and advances	(485.48)	(534.06)
	-	-
Total	3,202.79	973.62

Long-term loans and advances include amounts due from:

	₹ In Million	
Particulars	March 31, 2016	March 31, 2015
Firms in which any director is a partner		
- Atma Projects (security deposit given)	50.13	6.29
Total	50.13	6.29

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 16 OTHER NON-CURRENT ASSETS		
Lease equalisation asset	18.95	12.65
Total	18.95	12.65

Notes

forming part of the consolidated financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 17 CURRENT INVESTMENTS		
Investment in mutual funds:		
- Reliance Liquid Fund - Treasury Plan - Daily dividend option (Units 2,180,630.23 (Previous Year 487,513.147))	3,333.62	745.28
- Reliance Floating Rate Fund - Short Term Plan - Growth Plan (Units 12,382,228.616 (Previous Year 20,332,228.616))	243.60	400.00
- Reliance Floating Rate Fund - Short Term Plan - Direct Monthly Dividend Plan (Units 93,906,412.869 (Previous Year Nil))	1,000.00	-
- Reliance Banking & PSU Debt Fund - Direct Monthly Dividend Plan (Units 146,815,570.281 (Previous Year Nil))	1,500.00	-
- Reliance Fixed Horizon Fund - XXV - Series 17 - Direct Plan Growth Plan (Units Nil (Previous Year 75,000,000))	-	750.00
- Reliance Fixed Horizon Fund - XXVI - Series 33 - Direct Plan Growth Plan (Units Nil (Previous Year 15,000,000))	-	150.00
- Reliance Fixed Horizon Fund - XXVI - Series 5 - Direct Plan Growth Plan (Units Nil (Previous Year 30,000,000))	-	300.00
- Tata Liquid Fund Direct Plan - Daily dividend (Units 43.032 (Previous Year 40.785))	0.05	0.05
- Tata Fixed Maturity Plan Series 46 Scheme K - Direct Plan - Growth (Units Nil (Previous Year 25,000,000))	-	250.00
- Tata Fixed Maturity Plan Series 47 Scheme D - Direct Plan - Growth (Units Nil (Previous Year 15,000,000))	-	150.00
- IDFC Cash Fund - Daily Dividend - Direct Plan (Units Nil (Previous Year 104,370.342))	-	104.43
- IDFC Fixed Term Plan Series 88 Direct Plan -Growth (372 Days) (Units Nil (Previous Year 20,000,000))	-	200.00
- L&T Fixed Maturity Plan Series 10 - Plan S - Direct Growth (Units Nil (Previous Year 50,000,000))	-	500.00
- Religare Invesco Fixed Maturity Plan- Sr. 23 - Plan G (376 Days) - Direct Plan Growth (Units Nil (Previous Year 10,000,000))	-	100.00
- SBI Premier Liquid Fund - Direct Plan - Daily dividend option (Units Nil (Previous Year 290,602.913))	-	291.55
- ICICI Prudential Liquid - Direct Plan - Daily Dividend (Units 27,486,846.869 (Previous Year 6,711,986.703))	2,750.57	671.58
- ICICI Prudential Fixed Maturity Plan series 73 - 378 Days Plan O Direct Plan Cumulative (Units Nil (Previous Year 50,000,000))	-	500.00
- ICICI Prudential Ultra Short Term - Direct Plan - Daily Dividend (Units 99,109,760.030 (Previous Year Nil))	1,001.64	-
- ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Daily Dividend (Units 145,288,300.421 (Previous Year Nil))	1,500.00	-
- HDFC Fixed Maturity Plan 378 Days Mar 2014-1-Direct-Growth (Units Nil (Previous Year 25,000,000))	-	250.00
- Birla Sun Life Fixed Term Plan-Series KW-Gr. Direct - Reinvestment (Units Nil (Previous Year 25,000,000))	-	250.00
- SBI Premium Liquid Fund- Direct Plan - Daily Dividend (Units 250,954.675 (Previous Year Nil))	251.99	-
- Reliance Mutual Funds - Direct Plan - Daily Dividend (Units 323,308.233 (Previous Year Nil))	494.56	-
Total	12,076.03	5,612.89
Aggregate amount of un-quoted investments	12,076.03	5,612.89
Aggregate net asset value of investment in mutual funds	12,137.54	5,995.17
Current investments offered as security towards borrowings	4,024.96	4,015.00
Current investments in the nature of 'Cash and cash equivalents' considered as part of cash and cash equivalents in the Cash Flow Statement	8,051.07	1,597.98
Note (i): Details of security offered to:		
- Borrowing availed by the Group (Refer note 5(iii) and 9(i))	4,024.96	4,015.00

Notes

forming part of the consolidated financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 18 INVENTORIES		
Raw materials	2,508.00	1,142.12
- Goods-in-transit	353.21	221.49
Work-in-progress (Refer note (i) below)	832.34	128.69
Finished goods (other than those acquired for trading)	645.37	223.67
- Goods-in-transit	225.64	9.28
Stock-in-trade (acquired for trading)	1,411.11	331.75
Stores and spares	155.70	19.76
Total	6,131.37	2,076.76

Note:

(i) Details of work-in-progress

	₹ In Million	
Particulars	March 31, 2016	March 31, 2015
Active pharmaceutical ingredients	560.29	-
Capsules	30.60	42.33
Tablets	239.35	83.35
Others	2.10	3.01
Total	832.34	128.69

	₹ In Million	
	March 31, 2016	March 31, 2015
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	877.34	286.96
- Doubtful	183.74	111.16
	1,061.08	398.12
Less: Provision for doubtful trade receivables	(183.74)	(111.16)
	877.34	286.96
Others		
- Unsecured considered good	10,087.97	3,612.60
- Doubtful	-	16.90
	10,087.97	3,629.50
Less: Provision for doubtful trade receivables	-	(16.90)
	10,087.97	3,612.60
Total	10,965.31	3,899.56

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 20 CASH AND CASH EQUIVALENTS		
Cash on hand	6.63	3.67
Balances with banks:		
- In current accounts	2,174.87	1,010.93
- In EEFC accounts	62.97	-
- In Escrow account	2.00	-
- In deposit accounts	788.19	371.59
- Funds-in-transit	2.85	-
- In earmarked accounts:		
- Unpaid dividend accounts	68.52	67.55
- Group gratuity accounts	0.31	3.11
- Balance held as margin money against working capital facilities with Banks	1.36	12.00
Total	3,107.70	1,468.85
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 'Cash Flow Statements' is	3,037.51	1,386.19

Notes

forming part of the consolidated financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 21 SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good:		
Security deposits	9.57	6.78
Loans and advances to:		
- Employees	71.38	21.35
- Suppliers	784.18	228.51
- Others - Oncobiologics Inc	49.69	250.00
Prepaid expenses	437.64	187.29
Advance income tax (net of provisions)	82.78	37.95
Balances with government authorities:		
- CENVAT credit receivable	198.28	39.15
- VAT credit receivable	405.35	105.62
- Service Tax credit receivable	188.93	140.58
- Incentives receivables	729.80	108.58
Unsecured, considered doubtful:		
Loans and advances to suppliers:		
- Doubtful	3.42	-
- Less: Provision for doubtful loans and advances	(3.42)	-
	-	-
Total	2,957.60	1,125.81

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 22 OTHER CURRENT ASSETS		
Unbilled revenue (Refer note (i) below)	530.59	8.42
Interest accrued on deposit	15.59	11.32
MTM receivable on derivatives	139.72	90.40
Others:		
- Gratuity claim receivables	0.94	0.44
- Insurance claim	24.16	-
Total	711.00	110.58

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 Million	
	March 31, 2016	March 31, 2015
NOTE NO. 23 REVENUE FROM OPERATIONS		
Sale of products	30,521.53	11,327.10
Sale of services	367.32	24.66
Other operating revenues	1,252.64	643.59
Total	32,141.49	11,995.35
Less: Excise duty	577.96	36.86
Total	31,563.53	11,958.49

Notes

forming part of the consolidated financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 24 OTHER INCOME		
Interest income	67.56	79.25
Dividend income from current investments	376.70	74.96
Gain on sale of short-term investment in mutual funds	364.04	-
Exchange fluctuation gain	191.61	-
Rental income from operating leases	72.56	140.09
Other non-operating income:		
- Liabilities / provisions no longer required written back	52.11	67.22
- Recovery on claims	62.08	-
- Reimbursement of expenses	-	14.09
- Others	25.51	10.06
Total	1,212.17	385.67

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 25 COST OF MATERIALS CONSUMED		
Opening stock	1,383.37	1,175.35
Add: Pursuant to the scheme of amalgamation (Refer note 35(a))	1,239.38	-
Consolidation adjustment	18.72	(32.73)
Add: Purchases	14,556.25	5,194.60
Less: Closing stock	3,016.91	1,383.37
Total	14,180.81	4,953.85

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 26 PURCHASE OF TRADED GOODS		
Traded goods	2,434.59	792.52
Total	2,434.59	792.52

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening 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
Opening stock pertaining to entity acquired during the year	-	0.38
Add: Pursuant to the scheme of amalgamation (Refer note 35(a))		
- Work-in-progress	669.15	-
- Finished goods	346.68	-
	1,015.83	-
Consolidation adjustment:		
- Work-in-progress	0.07	(5.89)
- Finished goods	82.27	(27.19)
	82.34	(33.08)
Closing stock		
- Work-in-progress	832.34	128.69
- Stock-in-trade	1,411.11	331.75
- Finished goods	871.01	232.95
	3,114.46	693.39
Total	(1,322.90)	(141.55)

Notes

forming part of the consolidated financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 28 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	4,301.99	1,442.80
Contribution to provident and other funds (Refer note 41)	369.59	154.02
Expense on employee stock option plans (Refer note 40)	11.73	8.96
Staff welfare expenses	305.10	114.83
Total	4,988.41	1,720.61

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 29 OTHER EXPENSES		
Subcontracting	178.47	55.58
Consumables	736.56	194.12
Power and fuel	1,048.11	156.16
Water	5.02	4.05
Rent including lease rentals (Refer note 44)	176.36	92.50
Repairs & maintenance:		
- Buildings	46.87	11.52
- Machinery	455.08	117.58
- Others	193.94	34.89
Insurance	147.55	26.35
Rates and taxes	178.76	102.45
Communication	94.94	39.63
Travelling and conveyance	356.49	160.63
Printing and stationery	44.84	14.00
Freight and forwarding	811.91	342.65
Discount and claims	15.31	-
Business promotion	321.10	178.81
Royalty expenses	14.72	-
Sales commission	185.68	92.25
Donations and contributions	17.34	1.56
Expenditure on corporate social responsibility	42.38	19.41
Legal and professional fees (Refer note (i) below)	733.33	378.12
Provision for doubtful debts (including bad debt written off)	40.02	49.63
Unbilled revenue written off	-	9.38
Loss on sale of fixed assets (net)	0.15	4.56
Biostudy expenses	75.40	48.84
Net loss on foreign currency transactions	-	57.21
Miscellaneous expenses	149.40	152.64
Total	6,069.73	2,344.52

Note:

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

	₹ In Million	
Particulars	March 31, 2016	March 31, 2015
- Audit of standalone and consolidated financial statements	10.80	7.00
- Limited review	3.50	2.00
- Other services	5.70	4.70
- Taxation matters	4.17	2.61
- Reimbursement of expenses	0.50	0.18
Total	24.67	16.49

Notes

forming part of the consolidated financial statements

	March 31, 2016	₹ In Million March 31, 2015
NOTE NO. 30 FINANCE COSTS		
Interest expense on:		
- Borrowings	1,441.84	300.42
- Delayed payment of income tax	2.98	16.89
Bank charges and commission	358.24	157.04
Total	1,803.06	474.35

	March 31, 2016	₹ In Million March 31, 2015
NOTE NO. 31 EXCEPTIONAL ITEMS		
Exchange gain/ (loss) on long-term foreign currency loans and intra-group loans	55.54	(132.09)
Write-off/provision for assets (Refer note (i) below)	(157.25)	(9.00)
Reversal of provision for impairment of fixed assets (Refer note 47(b))	4.05	-
Merger/acquisition and restructuring costs	(221.23)	(109.40)
Claims on discontinued products	-	(39.08)
Recovery of loans & advances written off in earlier years	13.45	16.00
Impact of aligning accounting policies on merger of Shasun (Refer note 35(a))	(168.16)	-
Reversal of / (accrual for) option cost (Refer note 35(c))	-	199.81
Total	(473.60)	(73.76)

(i) Write-off/provision for assets comprises:

Particulars	March 31, 2016	₹ In Million March 31, 2015
Write-off of intangible assets under development & others (Refer note 47)	157.25	9.00
Total	157.25	9.00

	March 31, 2016	₹ In Million March 31, 2015
NOTE NO. 32 TAX EXPENSES		
Current tax expense	700.68	603.79
Current tax expense relating to prior years reversed	(52.91)	(11.87)
Deferred tax (credit) / expense	367.91	(59.62)
Less: Minimum alternative tax credit availed	(327.13)	-
Total	688.55	532.30

Notes

forming part of the consolidated financial statements

NOTE NO. 33 SALE OF INVESTMENTS IN ENTITIES MANUFACTURING SPECIALTY PRODUCTS:

(i) Notification of claims received from Mylan under Share Purchase agreements entered with Mylan in earlier years

The Company and its subsidiary Strides Pharma Asia Pte Limited ("Strides Singapore") entered into definitive agreements on February 27, 2013 with Mylan Inc for sale of the Specialty products business. The transactions under the respective agreements was by way of (i) sale of investment held in Agila Specialties Private Limited ("ASPL", an erstwhile wholly owned subsidiary of the Company), to Mylan Laboratories Limited ("MLL"), a Mylan group company and (ii) the sale of investment held in Agila Specialties Global Pte Limited ("Agila Global", an erstwhile subsidiary of Strides Singapore, a subsidiary of the Company) to Mylan Institutional Inc, another Mylan group company. MLL and Mylan Institutional Inc together are referred to below as Mylan.

The sale of ASPL was recorded by the Company in terms of the Share purchase agreement dated December 4, 2013 (the "India SPA"). The sale of Agila Global was recorded by Strides Singapore in terms of another Share purchase agreement dated December 4, 2013 (the "Global SPA").

The Company has provided a corporate guarantee to Mylan Inc for USD 200 Million (valid up to December 4, 2020) on behalf of Strides Singapore which can be used for discharging specified financial obligations, if any, of Strides Singapore to Mylan (disclosed under Contingent liabilities and commitments in Note 49).

The India SPA required Rs. 850 Million and USD 60 Million to be set aside by MLL in two separate Escrow accounts (which are jointly controlled by both MLL and the Company), for payment to certain specified senior management personnel of ASPL and its subsidiary and for incurring certain regulatory expenses pertaining to ASPL, respectively. In terms of the India SPA, the unutilised amounts in the Escrow accounts, if any, would be payable to the Company.

The Global SPA required USD 100 Million and USD 40 Million be set aside by MLL in two separate Escrow accounts (jointly controlled by both MLL and the Company) towards tax contingencies and regulatory expenses respectively.

Given the uncertainties involved and in the absence of a right to receive, the amounts under the escrow arrangements were not included in the consideration accounted as income by the Company at the time of disposal of the investments.

Under the terms of the India SPA and the Global SPA (together the "SPA"s), claims against the Company / Strides Singapore can only be made under specific provisions contained in the SPAs which include the procedures and timelines for submission of notifications of claims and actual claims and commencing arbitration proceedings.

During the current year, the Company has received notifications of claims from Mylan under the terms of the SPAs. These include third party claims, tax claims, claims against the regulatory escrows and general claims. A significant portion of these are estimates of potential claims / losses that Mylan expects to incur and involve significant uncertainties. The Company has formally responded to Mylan disputing the claims and also sought further details / clarifications on each of the items mentioned in the notifications of claims.

Given the nature of the claims involved and the extent of information made available by Mylan so far, the Company is not able to make a reliable estimate of its obligations, if any, with regard to these claims.

Considering the terms of the SPAs and the amounts in the respective escrows, the Company believes that any further outflow of resources is not probable.

- (ii) During the year ended March 31, 2016, the Company has received Rs. 129.50 Million out of the escrow amount set aside under the India SPA for payment to senior management personnel of ASPL. This has been recognised as gain under discontinued operations after adjusting related expenses of Rs. 26.83 Million.
- (iii) During the year ended March 31, 2015, Strides Singapore received an amount of USD 150 Million from Mylan in settlement against an amount of USD 250 Million that was originally heldback (the "Holdback amount") at the time of sale of the investments in Agila Global. The said amount was recognised as Net Gain on disposal of assets and settlement of liabilities attributable to the discontinued operations after adjusting related expenses of Rs. 746.11 Million. Net gain recognised amounted to Rs. 8,463.66 Million.
- (iv) The Group had considered hive of the Specialties business as discontinued operations.

Notes

forming part of the consolidated financial statements

Details relating to discontinued operations are as under:

Profit / (Loss) from ordinary activities	₹ In Million	
	For the year ended	
	March 31, 2016	March 31, 2015
Gain on settlement of liabilities attributable to the discontinued operations (net) (A)	102.67	8,463.66
Less: Claims under sale agreement entered for hive off of Ascent Pharma Health Limited (refer note 34(b) below) (B)	-	(29.33)
Profit before tax from discontinued operations (C = A+B)	102.67	8,434.33
Tax expense of discontinued operations (D)	26.93	-
Profit after tax of discontinued operations (C - D)	75.74	8,434.33

Particulars	₹ In Million	
	For the year ended	
	March 31, 2016	March 31, 2015
Net cash flow attributable to the discontinued business		
Cash flows from operating activities	-	-
Cash flows from investing activities	95.95	8,968.12
Cash flows from financing activities	-	-

NOTE NO. 34 SALE OF OTHER INVESTMENTS:

A. Sale of investments 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.

In connection with the sale of investments in APH, the Company had given a guarantee to Watson in respect of certain matters to the extent of AUD 352.61 Million. As at March 31, 2016, 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.

- (b) In the year ended March 31, 2015, the Group had made a payment of Rs. 29.33 Million towards claims made by Watson. This payment has been disclosed under discontinued operations.

B. Sale of investment by erstwhile Shasun Pharmaceuticals Limited in the previous year:

In the previous year, erstwhile Shasun Pharmaceuticals Limited (which merged with the Company as explained in note 35 below) had disposed-off its investment in Alivira Animal Health Limited ('an associate') having carrying value of Rs. 630 Million to M/s Sequent Scientific Limited ('Sequent') for a consideration of Rs. 750 Million, of which a sum of Rs. 650 Million was receivable as at March 31, 2015. In the current year, such amount has been received from Sequent.

NOTE NO. 35 ACQUISITION OF BUSINESSES

BY THE GROUP :

(a) Merger of Shasun Pharmaceuticals Limited with the Company:

In accordance with the terms of a Scheme of Amalgamation (the 'Scheme') between the Shasun Pharmaceuticals Limited (Transferor Company) and the Company (Transferee Company), the Transferor Company has been merged with the Company. The Scheme has been approved by the Honorable High

Notes

forming part of the consolidated financial statements

Court of Judicature with an appointed date of April 01, 2015 and the effective date of November 19, 2015 (the 'Effective Date'), being the date on which all the requirements under the Companies Act, 2013 and as per the Scheme have been completed. The merger has been accounted under the pooling of interest method referred to in Accounting Standard 14 "Accounting for Amalgamation" and the assets and liabilities transferred have been recorded at their book values.

Pursuant to the Scheme, the Company has allotted 21,017,329 equity shares to shareholders of erstwhile Shasun in the ratio of 5 equity shares of ₹ 10/- each of the Company for every 16 shares of ₹ 2/- each held by shareholders of erstwhile Shasun as at November 19, 2015, being the record date for

issue of equity shares by the Company. These share have been considered for the purpose of calculation of earnings per share appropriately. An amount of ₹ 75.66 Million being the excess of the share capital issued by the Company over the share capital of the erstwhile Shasun has been debited to Reserves.

In accordance with the Scheme, the authorised share capital of the Transferor Company, as on the effective date is added to the authorised share capital of the Company and the preference share capital of the Company is reclassified into the equity share capital. Accordingly, the authorized share capital of the Company stands increased to 176.75 Million equity shares of ₹ 10 each, totaling to ₹ 1,767.50 Million.

Details of assets and liabilities acquired on the merger and treatment of the difference between the consideration and the net assets acquired are as follows:

	₹ in Million	
Particulars		
Book value of assets and liabilities acquired as at appointed date of the Scheme:		
Fixed assets		
- Tangible assets (Net of accumulated depreciation ₹ 4,514.30 Million)	5,283.84	
- Intangible assets (Net of accumulated amortisation ₹ 122.88 Million)	7.71	
Capital work-in-progress	582.00	
Intangible assets under development	181.49	
Non-current investments	157.06	
Long-term loans and advances	639.90	
Deferred tax assets (net)	145.94	
Inventories	2,379.76	
Trade receivables (net of provisions ₹ 69.59 Million)	3,475.64	
Cash & cash equivalents (of which ₹ 26.27 Million qualify as Cash and Cash equivalent under Accounting Standard 3 "Cash Flow Statements")	29.87	
Short-term loans and advances	1,545.34	
Other current assets	412.57	
Total assets (A)		14,841.12
Reserves and surplus	3,467.71	
Money received against share warrants	195.25	
Long-term borrowings	1,885.02	
Deferred tax liability (net)	23.35	
Other non-current liabilities	28.40	
Long-term provisions	35.60	
Short-term borrowings	4,687.05	
Trade payables	2,991.25	
Other current liabilities	1,336.21	
Short-term provisions	71.03	
Total liabilities and Reserves (B)		14,720.87
(A) - (B)		120.25
Add: Shares issued by Shasun after appointed date but prior to the effective date of merger (Refer note 4(iv))		14.26
Excess of assets over liabilities - Net (C)		134.51
Less: Face value of equity shares of the Company issued to the shareholders of the Transferor Company (D)		210.17
Excess of the share capital issued by the Company over the share capital of the Transferor Company, has been debited to capital reserves (C) - (D)		(75.66)

Notes

forming part of the consolidated financial statements

The Transferor Company had adopted the provisions of para 46 / 46A of AS 11 “The Effects of Changes in Foreign Exchange Rates”. Accordingly, the exchange fluctuations on all long term monetary items so far as they related to the acquisition of a depreciable capital asset, were added to or deducted from the cost of the asset and were depreciated over the balance life of such assets. In cases other than those falling under above, exchange fluctuations were accumulated in ‘Foreign Currency Monetary Item Translation Difference Account’ (FCMITDA), grouped under Reserves and Surplus, and amortised over the balance period of long-term monetary asset/liability but not beyond March 31, 2020. In order to align with the Company’s policy, the carrying value of such exchange differences included in the fixed assets amounting ₹ 163.94 Million and the accumulated balance in the FCMITDA ₹ 4.22 Million in the books of the Transferor Company as at the appointed date of the Scheme of merger have been charged-off to the Statement of Profit and Loss under exceptional items.

On completion of the merger of the Transferor Company with the Company, the following entities of the erstwhile Shasun became part of the Group:

- Aponia Laboratories Inc., USA
- Chemsynth Laboratories Private Limited, India
- Clarion Wind Farm Private Limited, India
- Beta Wind Farm Private Limited, India`

(b) Other acquisitions were as under:

- (i) The Company’s wholly owned subsidiaries Strides Pharma Global Pte. Limited, Singapore (SPG) and Strides (Australia) Pharma Pty Limited, Australia (Strides Australia), have completed the acquisition of generic pharmaceutical business in Australia and related assets from wholly owned subsidiaries of Aspen Pharmacare Holdings Limited (Aspen). The acquisition was completed on completion of the closing conditions per the agreements and receipt of the statutory / regulatory approvals. The acquired business has been integrated and consolidated with the Group with effect from September 1, 2015.

The consideration incurred in connection with the acquisition amounted to AUD 337.39 Million (including ~ AUD 8.57 Million incurred towards duties and taxes in connection with the acquisition). The preliminary allocation of the consideration over the acquired assets is given below:

Particulars	₹ in Million
Registration and brands (Intellectual Property Rights (IPs))	5,217.22
Intangible assets under development (IPs under development)	7,935.17
Goodwill	3,655.11
Total	16,807.50

The generally accepted accounting practices prevalent in the jurisdiction in which these subsidiaries are located requires the allocation of the purchase price in the case of a business acquisition to be completed within one year from the date of purchase of the business. As on the date, SPG and Strides Australia are in the process of completing the purchase price allocation incurred in the above acquisition. Adjustments, if any, required on finalization of the aforesaid purchase price allocation will be made on completion of the allocation.

- (ii) The Company acquired the ‘Solus’ and ‘Solus Care’ division operating in the central nervous system (CNS) segment in India from Sun Pharmaceuticals Industries Limited for a total consideration of ₹ 1,653.30

- Shasun NBI LLC, USA
- Shasun Pharma Solutions Inc., USA
- Shasun Pharma Solutions Limited, UK
- Shasun USA Inc., USA
- Stabilis Pharma Inc., USA
- SIPCOT Industrial Common Utilities Limited, India
- SVADS Holdings SA, Switzerland
- Tulyan Lec Limited, India

In accordance with the terms of the Scheme, the Company was required to issue stock options in the Company to the employees holding options issued by the Transferor Company aggregating to 156,400 as at the effective date of the Scheme in the ratio of 5 options in the Company for every 16 options held in erstwhile Shasun. The terms and conditions applicable to new options in the Company shall be no less favourable than those provided under erstwhile Shasun ESOP scheme. However, as at March 31, 2016, pending certain regulatory approvals, such options are not yet issued by the Company. Options reserved for issue in respect of the above at the balance sheet date are 48,875 options.

With effect from November 18, 2015, the name of the Company has been changed from Strides Arcolab Limited to Strides Shasun Limited.

In view of the merger of Shasun with the Company, the current year figures are not comparable with the previous year figures.

Notes

forming part of the consolidated financial statements

Million including duties and taxes in connection with the acquisition. The arrangement involved transfer of the above mentioned two marketing divisions, along with their employees to the Company. Allocation of the consideration over the acquired assets is given below:

Particulars	₹ in Million
Registration and brands (Intellectual Property Rights (IPs))	900.10
Goodwill	753.20
Total	1,653.30

(iii) The Company acquired seven brands from Johnson and Johnson Group for a total consideration of ₹ 619.32 Million including duties and taxes in connection with the acquisition.

(iv) The Group has entered into an agreement to acquire branded business of Medispan Limited. Strides Biologix Private Limited, India (Strides Biologix), a subsidiary of the Company has completed the mentioned acquisition. The Company holds 51% equity interest in Strides Biologix and the balance is held by Medispan Limited.

(v) During the year, the Company's wholly owned subsidiary Pharmacy Alliance Investments Pty Limited, Australia had entered into a Share purchase agreement with the shareholders of the Pharmacy Alliance Group Holdings Pty Limited, Australia ("Pharmacy Alliance Group") to acquire the controlling stake (51%) in Pharmacy Alliance Group for a total consideration of AUD 13.99 Million. The acquisition was completed on February 29, 2016 and consequently, Pharmacy Alliance Group Holdings Pty Limited and its subsidiaries, Pharmacy Alliance Pty Limited and Alliance Pharma Pty Limited, became part of the Strides Group in Australia

(c) During the current year, the Group has entered into definitive agreements for the following acquisitions:

(i) To acquire a strategic stake (51%) in Generic Partners Holdings Co. Pty Limited, an Australian pharmaceutical supply and research company for an upfront consideration of AUD 15 Million and a commitment of AUD 10 Million to fund future Research & Development.

(ii) To acquire a controlling stake (51%) in Universal Corporation Limited ('Universal'), Kenya for a total consideration consisting of initial pay out of USD 11 Million and a performance related earn out capped at USD 3 Million.

(iii) Entered into an agreement with Moberg Pharma, Sweden and its affiliates to acquire

certain brands for a total consideration of USD 10 Million plus closing inventory value as on the date of completion of the acquisition.

The requisite statutory and regulatory approvals required to complete the acquisitions were pending as at March 31, 2016.

(d) During year ended March 31, 2015, the following investments were made by the Group:

(i) The Company had in the year ended March 31, 2015, 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, 2016, an amount of ₹ 1.70 Million (previous year ended March 31, 2015: ₹ 1.70 Million) is payable towards the above.

(ii) Strides Healthcare Private Limited, India ('Strides Healthcare'), a subsidiary of the Group, had entered into an agreement with Bafna Pharmaceuticals Limited ('Seller') during year ended March 31, 2015, to acquire Indian Branded Generic Business of the Seller for a total consideration of ₹ 655 Million (including ₹ 5 Million payable towards non-compete fee to the Seller). The mentioned purchase consideration was 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 gave the Seller a minority interest of 26% in Strides Healthcare.

(iii) 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.

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

Notes

forming part of the consolidated financial statements

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.

During the year ended March 31, 2015, the Group had entered into an agreement with Proparco to purchase the 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 ₹199.81Million) had been reversed in the Statement of Profit & Loss under Exceptional items during the year ended March 31, 2015.

NOTE NO. 36

During the year ended March 31, 2015, the Group had 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, to fund its greenfield project. During the current year, the Group has achieved closure on the transaction. GMS Holdings through its subsidiary GMS Pharma (Singapore) Pte Limited has made the payment of first tranche of investment amounting to USD 8.49 Million (₹ 568.83 Million) in Stelis Biopharma Private Limited, India. Further investment in Stelis will be made in tranches based on project and product development needs over a period of 2 years.

NOTE NO. 37

During 2011, the erstwhile Shasun (which merged with the Company effective April 1, 2015 – refer Note 35(a)) had entered into an agreement with Nanoparticle Biochem Inc. for establishing a joint venture company in USA called Shasun NBI LLC and accordingly, held 50% interest in Shasun NBI LLC. The contractual arrangement between Nanoparticle Biochem Inc and the erstwhile Shasun indicates that the parties jointly control the financial and operating policies of Shasun NBI LLC in the ordinary course of business.

The Group has, in accordance with AS 27 "Financial Reporting of Interests in Joint Ventures" issued under the Companies (Accounting Standards) Rules 2006, accounted for its 50% interest in the JV under the proportionate consolidation method. The Group's Statement of Profit and Loss, Balance Sheet and Cash Flow Statement incorporate the Group's share of income, expenses, assets, liabilities and cash flows of the JV on a line-by-line basis.

The aggregate amount of assets, liabilities, income and expenses related to the Group's share in the joint venture included in these financial statements as of and for the year ended March 31, 2016 are given below:

Particulars	₹ In Million
	As at March 31, 2016
LIABILITIES	
Current liabilities	
Other current liabilities	39.12
Total Liabilities	39.12
ASSETS	
Non-current assets	
Tangible assets	0.01
Current assets	
Cash and cash equivalents	0.32
Total Assets	0.33
EXPENDITURE	For the year ended March 31, 2016
Operating and other expenses	0.58
Research and development expenses	-
Depreciation and amortisation expense	-
Loss before taxation	0.58
Provision for tax	-
Loss after taxation	0.58

Notes

forming part of the consolidated financial statements

Shasun NBI LLC, became part of the Strides Group post merger of Shasun with the Company. Hence, disclosure of previous year numbers is not applicable.

NOTE NO. 38

During the current year, the Company has raised ₹ 11,026.62 Million on issue of 8,628,028 equity shares of ₹ 10 each at a premium of ₹ 1,268 per equity share to Qualified Institutional Buyers (QIP) in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009. The Company has completed the allotment of equity shares on December 23, 2015 and expenses incurred in relation to QIP to the extent of ₹ 326.66 Million has been debited to Securities Premium Account.

NOTE NO. 39

Intra-group loans amounting to USD 7.8 Million (previous year 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 gains of ₹ 1.75 Million for the year ended March 31, 2016 and exchange fluctuation loss of ₹ 85.15 Million for the previous year ended March 31, 2015 arising out of reinstatement of such loans 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 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 Directors Plan 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. No options were granted under this plan during the current year.
- (e) The ESOP titled "Strides Arcolab ESOP 2015" (ESOP 2015) was approved by the shareholders on November 6, 2015. 70,000 options are covered under the Plan for 70,000 equity shares. The options allotted under ESOP 2015 are convertible into equal number of equity shares. The vesting period of these options range over a period of five years. The options must be exercised within a period of 180 days from the date of vesting. No options were granted under this plan during the current year.
- (f) SEBI had notified the Share Based Employee Benefits Regulations 2014, which replaced the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. It mandates that all listed companies having existing stock option schemes comply with the revised regulation in their entirety.

There were no outstanding options under the ESOP 2006, ESOP 2008 and ESOP 2008 (Directors) and ESOP 2011 Schemes other than the 265,000 options due for vesting under the ESOP 2011 Scheme.

Considering the above, the Nomination and Remuneration Committee resolved that the existing ESOP Schemes, under which there are no outstanding options, be terminated. Further, the Committee resolved that it should not grant further stock options under the ESOP 2011 Scheme. However, the outstanding options under the ESOP 2011 shall continue to vest as per the offer letter granted to employees of the Company.

Notes

forming part of the consolidated financial statements

- (g) Employee compensation costs of ₹ 11.73 Million (for the year ended March 31, 2015: ₹ 8.96 Million) relating to the above referred various Employee Stock Option Plans have been charged to the Statement of Profit and Loss.

Particulars					₹ in Million	
	ESOP 2006	ESOP 2008	ESOP 2008 (D)	ESOP 2011	Total	
Expenses during the year	-	-	-	11.73	11.73	
Reversal due to lapse	-	-	-	-	-	
Total	-	-	-	11.73	11.73	

- (h) Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2015-16		During the year 2014-15	
	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	-	-	-	-
- ESOP 2008	-	-	-	-
- ESOP 2008 (Director)	-	-	-	-
- ESOP 2011	350,000	456.67	400,000	322.30
- ESOP 2015	-	-	-	-
Granted during the year:				
- ESOP 2006	-	-	-	-
- ESOP 2008	-	-	-	-
- ESOP 2008 (Director)	-	-	-	-
- ESOP 2011	-	-	100,000	792.60
- ESOP 2015	-	-	-	-
Exercised during the year:				
- ESOP 2006	-	-	-	-
- ESOP 2008	-	-	-	-
- ESOP 2008 (Director)	-	-	-	-
- ESOP 2011	85,000	322.30	50,000	322.30
- ESOP 2015	-	-	-	-
Lapsed during the year:				
- ESOP 2006	-	-	-	-
- ESOP 2008	-	-	-	-
- ESOP 2008 (Director)	-	-	-	-
- ESOP 2011	-	-	100,000	322.30
- ESOP 2015	-	-	-	-
Options outstanding at the end of the year:				
- ESOP 2006	-	-	-	-
- ESOP 2008	-	-	-	-
- ESOP 2008 (Director)	-	-	-	-
- ESOP 2011	265,000	499.77	350,000	456.67
- ESOP 2015	-	-	-	-
Options available for grant:				
- ESOP 2006	-	-	80,500	-
- ESOP 2008	-	-	169,950	-
- ESOP 2008 (Director)	-	-	190,000	-
- ESOP 2011	-	-	1,100,000	-
- ESOP 2015	70,000	-	-	-

Options available for grant from ESOP 2015 also includes 48,875 stock options which are to be issued to employees of erstwhile Shasun pursuant to the scheme of amalgamation, as explained in Note 35 (a).

Notes

forming part of the consolidated financial statements

- (i) 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 Million	
	March 31, 2016	March 31, 2015
STRIDES ARGOLAB ESOP:		
Net Profit as per Statement of Profit and Loss	2,089.36	8,449.99
Add: stock based employee compensation (intrinsic value)	11.73	8.96
Less: stock based compensation expenses determined under fair value method for the grants issued	(34.42)	(25.49)
Net Profit (proforma)	2,066.67	8,433.46
	₹	₹
Basic earnings per share (as reported for Total Operations)	25.30	141.85
Basic earnings/ (loss) per share (proforma for Total Operations)	25.03	141.57
Diluted earnings per share (as reported for Total Operations)	25.14	141.27
Diluted earnings/ (loss) per share (proforma for Total Operations)	24.87	140.99

- (j) The fair values of the options have been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value in respect of options under ESOP 2011 as at the grant dates are as below:

Grant date	7-Feb-14	2-Feb-15
Risk Free Interest Rate	8.75%	7.65%
Expected Life	3 years	3 years
Expected Annual Volatility of Shares	38.64%	48.44%
Expected Dividend Yield	0.52%	0.21%

NOTE NO. 41 EMPLOYEE BENEFITS PLANS

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 ₹ 123.32 Million (previous year: ₹ 55.26 Million) for provident fund contributions, ₹ 5.41 Million (previous year: ₹ 1.79 Million) for employee state insurance scheme contributions and ₹ 119.68 Million (previous year: ₹ Nil) for pension 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.

Sl. No.	Particulars	₹ In Million	
		March 31, 2016	March 31, 2015
I	Components of employer expense		
1	Current service cost	39.92	14.81
2	Interest cost	24.74	10.17
3	Expected return on plan assets	(15.55)	(4.46)
4	Curtailement cost/ (credit)	-	-
5	Settlement cost/ (credit)	-	-
6	Past service Cost	-	-
7	Actuarial losses/ (gains)	5.45	26.32
8	Total expense recognised in the Statement of Profit & Loss	54.56	46.84
II	Actual contribution and benefits payments		
1	Actual benefit payments	14.94	8.40
2	Actual contributions	62.76	27.83

Notes

forming part of the consolidated financial statements

		₹ In Million	
Sl. No.	Particulars	March 31, 2016	March 31, 2015
III	Net asset/ (liability) recognised in balance sheet		
1	Present value of defined benefit obligation (DBO)	364.11	148.42
2	Fair value of plan assets	240.00	74.14
3	Funded status [surplus/ (deficit)]	(124.11)	(74.28)
4	Unrecognised past service costs	-	-
5	Net asset/ (liability) to be recognised in balance sheet	(124.11)	(74.28)
	Non-current portion	(91.26)	(74.14)
	Current portion	(32.85)	(0.14)
IV	Change in defined benefit obligations		
1	Present value of DBO at beginning of the year	148.42	105.29
2	Pursuant to the scheme of amalgamation (Refer note 35(a))	151.97	-
3	Current service cost	39.92	14.81
4	Interest cost	24.74	10.17
5	Curtailement cost/ (credit)	-	-
6	Settlement cost/ (credit)	-	-
7	Plan amendments	-	-
8	Acquisitions / (divestments)	7.70	-
9	Actuarial (gains)/ losses	6.30	26.54
10	Benefits paid	(14.94)	(8.40)
11	Present Value of DBO at the end of the year	364.11	148.42
V	Change in Fair Value of Assets		
1	Plan assets at beginning of the year	74.14	50.03
2	Pursuant to the scheme of amalgamation (Refer note 35(a))	101.64	-
3	Acquisition/ (divestment) adjustment	-	-
4	Expected return on plan assets	15.55	4.46
5	Actual Company contributions	62.76	27.83
6	Actuarial gains/ (losses)	0.85	0.22
7	Benefits paid	(14.94)	(8.40)
8	Plan assets at the end of the year	240.00	74.14
9	Actual return on plan assets	16.40	4.68
VI	Assumptions		
1	Discount Rate	8.00%	7.90%
2	Expected Return on plan assets	8.00%	9.00%
3	Salary escalation	10.00%	10.00%
4	Attrition	20.00%	20.00%
5	Mortality tables	Indian Assured Lives Mortality (2006-08) (Ultimate Table)	

Note:

Actuarial valuation experience adjustment:

		₹ In Million				
Particulars	2015-16	2014-15	2013-14	2012	2011	
Present value of DBO	364.11	148.42	105.29	183.76	112.61	
Fair value of plan assets	240.00	74.14	50.03	38.15	39.76	
Funded status surplus / (deficit)	(124.11)	(74.28)	(55.26)	(145.61)	(72.85)	
Experience gain / (loss) adjustment on plan liabilities	14.56	12.61	8.99	39.76	(6.46)	
Experience (gain) / loss adjustment on plan assets	0.85	0.22	(0.65)	(2.74)	(5.76)	

Actuarial assumptions for long-term compensated absences:

Sl. No.	Particulars	March 31, 2016	March 31, 2015
1	Discount Rate	7.80%	7.80%
2	Expected Return on plan assets	NA	NA
3	Salary escalation	10.00%	10.00%
4	Attrition	20.00%	20.00%

Notes

forming part of the consolidated financial statements

Note:

- (a) 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.
- (b) 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.
- (c) 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.
- (d) Composition of the plan assets as at March 31, 2015 and March 31, 2016 is not made available by the fund manager. Hence, the same has not been disclosed.

NOTE NO. 42 RELATED PARTY TRANSACTIONS: LIST OF THE RELATED PARTIES

Joint Ventures (JV):	Akorn Strides LLC, USA Shasun NBI LLC, USA (Refer note 35(a))
Associates:	Strides Biologix Private Limited (w.e.f October 12, 2015 upto November 17, 2015)
Key Management Personnel (KMP):	Arun Kumar (Executive Vice Chairman & Managing Director) S Abhaya Kumar (Executive Director) Badree Komandur (Group Chief Financial Officer & Company Secretary)
Relatives of KMP:	Aditya Arun Kumar
Enterprises owned or significantly influenced by KMP and relative of KMP:	Atma Projects, India Chayadeep Properties Private Limited, India Devendra Estate LLP Lifecell International Private Limited, India Nutra Specialties Private Limited, India Sequent Scientific Limited, India Sequent Research Limited, India Shasun Foundation Trust, India Strides Foundation Trust, India

RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED MARCH 31, 2016

Nature of Transactions	₹ In Million					
	Joint Ventures		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015
Sales of materials/services:						
1 Lifecell International Private Limited					0.16	-
2 Nutra Specialties Private Limited					1.21	-
3 Sequent Scientific Limited					49.46	-
Rental income from operating leases:						
1 Sequent Scientific Limited					2.00	1.82
Other income from:						
1 Sequent Scientific Limited					8.48	8.48
Purchase of materials/services:						
1 Nutra Specialties Private Limited					8.16	-
2 Sequent Research Limited					14.38	-
3 Sequent Scientific Limited					743.75	522.64
Royalty expenses to:						
1 Nutra Specialties Private Limited					0.45	-
Managerial Remuneration:						

Notes

forming part of the consolidated financial statements

		₹ In Million					
Nature of Transactions	Joint Ventures		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives		
	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015	
1	Mr. Arun kumar		52.50	55.19			
2	Mr. Badree Komandur		26.59	23.51			
3	Mr. S Abhaya Kumar		21.17	-			
Salary to:							
1	Mr. Aditya Arun Kumar		1.22	0.87			
Reimbursement of Expenses Incurred on behalf of:							
1	Sequent Scientific Limited				0.15	-	
Rent Paid:							
1	Atma Projects				23.06	5.13	
2	Chayadeep Properties Private Limited				6.35	5.99	
3	Devendra Estate Private Limited				2.70	-	
Lease deposit paid:							
1	Atma Projects				43.84	-	
Donation:							
1	Shasun Foundation Trust				1.70	-	
2	Strides Foundation Trust				19.60	-	

RELATED PARTY BALANCES AS AT MARCH 31, 2016

		₹ In Million					
Nature of Transactions	Joint Ventures		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives		
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	
Advances Receivable/(Payable) as at:							
1	Mr. Arun Kumar		(12.50)	(16.75)			
2	Mr. Badree Komandur		(10.13)	-			
3	Mr. S Abhaya Kumar		(4.93)	-			
Balance of deposits paid:							
1	Atma Projects				50.13	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)	
2	Chayadeep Properties Private Limited				(0.58)	(0.53)	
3	Devendra Estate Private Limited				(0.21)	-	
4	Nutra Specialties Private Limited				(1.73)	-	
5	Sequent Scientific Limited				(127.03)	(87.77)	
6	Sequent Research Limited				(1.15)	-	
Balance of trade receivables (net of advance received) as at:							
1	Nutra Specialties Private Limited				1.62	-	
2	Sequent Scientific Limited				2.81	0.88	

Notes

forming part of the consolidated financial statements

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.

₹ In Million

Particulars	For the year ended 31-Mar-16			For the year ended 31-Mar-15		
	Business segments		Total	Business segments		Total
	Pharma- ceutical	Biotech		Pharma- ceutical	Biotech	
Revenue	31,563.53	-	31,563.53	11,958.49	-	11,958.49
Segment result	4,235.29	(331.10)	3,904.19	1,976.90	(129.30)	1,847.60
Unallocable expenses (net)						
Finance costs			(1,803.06)			(474.35)
Items considered under exceptional items:						
Profit on disposal of discontinued business			102.67			8,434.33
Exchange (loss) / gain on long-term foreign currency loans, intra-group loans			55.54			(132.09)
Merger and restructuring costs			(221.23)			(109.40)
Impact of aligning accounting policies on merger of Shasun			(168.16)			-
Reversal of / (accrual for) option costs			-			199.81
Other income (net)			808.30			154.21
Profit before taxes			2,678.25			9,920.11
Tax expense			715.48			1,475.98
Profit for the year/ period before allocation to minority interest			1,962.77			8,444.13
Share of profit of minority interest (net)			(126.59)			(5.86)
Profit for the year			2,089.36			8,449.99
Segment assets	58,418.45	2,667.23	61,085.68	15,538.50	1,615.24	17,153.74
Unallocable assets	-	-	15,505.26	-	-	7,593.72
Total assets			76,590.94			24,747.46
Segment liabilities	8,809.15	103.06	8,912.21	2,882.47	45.30	2,927.77
Unallocable liabilities	-	-	38,618.84	-	-	10,183.38
Total liabilities			47,531.05			13,111.15
Other information						
Capital expenditure (allocable)	22,306.36	359.94	22,666.30	2,029.44	596.33	2,625.77
Depreciation and amortisation (allocable)	1,530.92	41.90	1,572.82	606.72	33.60	640.32
Other significant non-cash expenses (allocable):						
- Provision for doubtful trade and other receivables	40.02	-	40.02	49.63	-	49.63
- Unbilled revenue written-off	-	-	-	9.38	-	9.38
- Expenses on Employee Stock Option Plans	11.73	-	11.73	8.96	-	8.96
- Net unrealised foreign exchange loss	(344.05)	-	(344.05)	279.78	-	279.78
- Write-off / provision for assets	65.31	91.94	157.25	9.00	-	9.00
- (Gain) / Loss on sale of assets (Net)	(1.13)	1.28	0.15	4.56	-	4.56
Other significant non-cash expenses (unallocable):						
- Impact of aligning accounting policies on merger of Shasun			168.16			-
- Net cost/(reversal) on option contracts			-			(199.81)

Notes

forming part of the consolidated financial statements

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-16	Segment assets As at March 31, 2016	Capital expenditure during the year ended March 31, 2016	Revenues for the year ended March 31, 2015	Segment assets As at March 31, 2015	Capital expenditure during the year ended March 31, 2015
Africa	3,732.53	4,314.64	417.08	4,447.81	1,915.83	403.85
Australasia	5,385.94	21,563.37	16,865.87	753.14	1,249.67	174.13
North America & Europe	16,556.44	9,796.85	349.51	5,507.73	3,241.46	18.78
South & Central America	181.05	54.18	-	44.63	40.18	-
India	5,597.47	25,257.24	5,033.84	1,190.45	10,706.60	2,029.01
Others	110.10	99.40	-	14.71	-	-
Total	31,563.53	61,085.68	22,666.30	11,958.49	17,153.74	2,625.77

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 ₹ 176.36 Million (Previous year ₹ 92.50 Million).

During the year ended March 31, 2016, the Group had cancelled certain lease arrangements which were originally entered for the non-cancellable term of 3 years and further entered into new lease arrangement for its factory and office premises. The tenure of such lease is 5 years to 25 years with non-cancellable period ranging from 18 months to 16 years. The said lease arrangements have an escalation clause wherein lease rental is subject to periodic increments as specified in the lease agreements. Details of the lease commitment at the year-end are as follows:

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Up to one year	273.96	23.44
From one year to five years	772.73	15.11
Above five years	951.99	-
Total	1,998.68	38.55

During the year, the Group has entered into finance lease arrangements for certain equipment, which provide the Group an option to purchase the assets at the end of the lease period. Details relating to these assets and minimum lease rentals payable are as follows:

Particulars	₹ In Million
	March 31, 2016
Future minimum lease payments :	
Up to one year	33.24
From one year to five years	100.19
Above five years	12.18
Total	145.61
Less: Unmatured finance charges	(20.10)
Present value of minimum lease payments payable	125.51
Up to one year	25.79
From one year to five years	88.30
Above five years	11.42

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:

Notes

forming part of the consolidated financial statements

₹ In Million

Particulars	March 31, 2016		March 31, 2015	
Gross carrying amount of assets leased		710.23		710.23
Accumulated depreciation		88.63		49.78
Future minimum lease income:				
Not later than one year		54.44		49.91
Later than one year but not later than 5 years		245.33		231.44
Later than 5 years		11.24		78.03
Total		311.01		359.38

NOTE NO. 45 EARNINGS PER SHARE

Particulars	March 31, 2016		March 31, 2015	
	Continuing operations	Total operations	Continuing operations	Total operations
(i) Basic:				
Net profit for the year attributable to the equity shareholders (₹ In Million)	2,013.62	2,089.36	15.66	8,449.99
Weighted Average number of equity shares	82,586,576	82,586,576	59,570,533	59,570,533
Par value per share	₹ 10/-	₹ 10/-	₹ 10/-	₹ 10/-
Earnings per share – Basic	₹ 24.38	₹ 25.30	₹ 0.26	₹ 141.85
(ii) Diluted:				
Net profit for the year (₹ In Million)	2,013.62	2,089.36	15.65	8,449.99
Net profit attributable to equity Shareholders (₹ In Million)	2,013.62	2,089.36	15.65	8,449.99
Weighted Average number of Shares for Basic EPS	82,586,576	82,586,576	59,570,533	59,570,533
Add: Effect of outstanding employee stock options and share warrants	508,558	508,558	244,993	244,993
Weighted Average Number of equity shares for diluted EPS	83,095,134	83,095,134	59,815,526	59,815,526
Par value per share	₹ 10/-	₹ 10/-	₹ 10/-	₹ 10/-
Earnings per share – Diluted	₹ 24.23	₹ 25.14	₹ 0.26	₹ 141.27

NOTE NO. 46 DETAILS OF RESEARCH AND DEVELOPMENT EXPENDITURE INCURRED DURING THE YEAR

₹ In Million

Particulars	March 31, 2016		March 31, 2015	
Materials		137.58		31.57
Salaries		333.27		84.32
Biostudy expenses		75.40		48.84
Professional fees		69.35		94.03
Consumables		111.91		31.86
Regulatory expenses		38.47		26.39
Travelling expenses		18.93		6.09
Depreciation and amortisation expenses		100.83		34.76
Others		168.32		36.04
Total		1,054.06		393.90

Note:

The above includes revenue expenditure incurred in DSIR approved facilities of Rs. 659.21 Million. In addition, the Company has also incurred capital expenditure in such facilities of Rs. 112.37 Million, which has been capitalised under respective heads in the financial statements, both of which have been considered by the Company for the purpose of weighted deduction under the provisions of Income Tax Act.

The amount quantified as research and development expenditure (both capital and revenue) is as certified by the management of the Company and relied upon by the auditors and includes cost associated with the development services undertaken for customers.

Notes

forming part of the consolidated financial statements

NOTE NO. 47 WRITE OFF / PROVISION FOR IMPAIRMENT OF ASSETS

- (a) During the current year, the Group has written off certain assets amounting to Rs. 91.94 Million pertaining to Stelis Biopharma (Malaysia) SDN. BHD., the subsidiary in Malaysia which was into the biotech business and Rs. 65.31 Million pertaining to Congo Pharma SPRL, the subsidiary in Congo which was into the pharmacy trading business. The same has been debited to the Statement of Profit and Loss under the head 'Exceptional items'.
- (b) During the previous year, the erstwhile Shasun Pharmaceuticals Limited ('Shasun') had carried out an impairment review based on the business plans and future projections of its cash generating units. Based on such review, Shasun had recorded an impairment charge of ₹ 41.55 Million against its Biotech division, being the excess of carrying value of fixed assets over its recoverable amount (value in use). In the current year, the Company has sold Shasun's Biotech assets with a carrying value of ₹ 2.95 Million for a consideration of ₹ 7.00 Million, and the resulting gain on reversal of impairment loss of ₹ 4.05 Million has been accounted as exceptional items.

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 (₹ 9.80 Million) in respect of such shares.

NOTE NO. 49 CONTINGENT LIABILITIES

- (a) The Group has given corporate guarantees up to ₹ 52,205.97 Million (As at March 31, 2015: ₹ 37,174.85 Million) to financial institutions and other parties.
- (b) As at March 31, 2016, the Group has disputed tax liabilities arising from assessment proceedings relating to earlier years from the income tax authorities amounting to ₹ 1,394.17 Million (Previous year: ₹ 1,301.32 Million). The outflow, if any, on account of disputed taxes is dependent on completion of assessments.
- (c) The Company has disputed excise, custom, service tax and sales tax liabilities arising from assessment proceedings relating to prior years amounting to ₹ 129.04 Million (previous year: ₹ 5.65 Million). The outflow, if any, on account of disputed liabilities is dependent on completion of assessments.

- (d) Refer note 33(i) for other claims which have been disputed by the Company.

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 had 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, 1956.

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 ₹ 140.30 Million as at March 31, 2016 (at March 31, 2015: ₹ 90.40 Million) have

Notes

forming part of the consolidated financial statements

been recognised in the Hedge Reserve account. These exchange differences 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, 2016 and March 31, 2015, 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, 2016 and as on March 31, 2015 not designated as

hedging instruments except in respect of Interest Rate Swap contracts taken on foreign currency borrowings (value of such contracts outstanding as at March 31, 2016: USD 0.56 Million, as at March 31, 2015: USD Nil). The loss on fair valuation of such open derivatives amounting ₹ 0.58 Million for the year ended March 31, 2016 (₹ Nil for the year ended March 31, 2015) is recognised in the Statement of Profit and Loss.

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, 2016, trade receivables balances include ₹ 473.28 Million (As at March 31, 2015: ₹ 270.69 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 Million	
	March 31, 2016	March 31, 2015
Opening balance of provision for doubtful trade and other receivables	139.15	141.33
Pursuant to the scheme of amalgamation (Refer note 35(a))	84.32	-
Additional provision during the year	40.02	67.97
Consolidation adjustment	7.66	(9.42)
Utilisation/ reversal of provision during the year	(76.63)	(60.73)
Closing balance of provision for doubtful trade and other receivables	194.52	139.15

52.2 Details on Derivatives Instruments & Un-hedged Foreign Currency Exposures:

The following derivative positions are open as at March 31, 2016. 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 recognised 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 Million	Buy/Sell	Cross Currency	₹ in Million
31-Mar-16	USD	78.00	Sell	Rupees	5,167.50
31-Mar-15	USD	74.00	Sell	Rupees	4,624.63

- (b) Interest Rate Swaps to hedge against fluctuations in interest rate changes amounts to USD 0.56 Million (Previous year : Nil)
- (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)

Notes

forming part of the consolidated financial statements

II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(Figures In Million)

Receivable / (Payable) in INR	Receivable / (Payable) In Foreign Currency	Receivable / (Payable) in INR	Receivable / (Payable) In Foreign Currency
At March 31, 2016		At March 31, 2015	
(10,220.89)	USD (154.27)	(4,216.15)	USD (67.46)
353.34	EUR 4.69	1,306.31	EUR 19.54
4,734.07	AUD 93.30	56.66	AUD 1.20
30.62	CAD 0.60	11.28	CAD 0.23
2,283.57	GBP 24.00	(260.51)	GBP (2.82)
(6.47)	SGD (0.13)	-	SGD -
(1.95)	JPY (3.31)	0.01	JPY 0.02
1.99	CHF 0.03	-	CHF -

III. There were no outstanding option contracts as at March 31, 2016 and as at March 31, 2015.

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 amortised cost less impairment if any.

The carrying amounts are as under:

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Trade receivables	10,965.31	3,899.56
Unbilled revenue	530.59	8.42
Advance recoverable in cash	2,707.47	1,237.49
Cash and cash equivalents	3,107.70	1,468.85
Investments in mutual funds	12,076.03	5,612.89

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 amortised Cost

The following financial liabilities are held at amortised cost. The carrying amount of Financial Liabilities are as under:

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Secured borrowings:		
Long-term (including current maturities)	29,290.31	6,715.17
Short-term	6,934.94	1,966.98
Unsecured borrowings:		
Long-term	307.57	171.59
Short-term	80.19	63.33
Other long-term liabilities:		
Gratuity and other benefits	126.72	123.68
Lease equalization reserve	4.03	4.70
Other liabilities	55.45	49.25
Current liabilities		
Trade payables	7,793.05	2,344.08

Notes

forming part of the consolidated financial statements

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Interest accrued but not due	156.43	28.15
Unclaimed dividends	68.52	67.55
Book Overdraft	64.33	-
Payable on purchase of fixed assets	81.73	25.95
Gratuity	47.16	4.01
Other Liabilities	788.49	622.62
Provision For:		
Compensated absences	238.45	111.55
Payable to employees under long-term incentive plan	28.27	78.40
Provision for income tax (net)	532.59	491.76
Equity Dividend (including dividend distribution tax thereon)	432.18	178.85

(c) Financial liabilities / assets held for trading are as follows:

- Provisions / receivable carried towards mark to market losses / gains on forward exchange contracts ₹139.72 Million gain as at March 31, 2016 (₹ 90.40 Million gain as at March 31, 2015).
- Liabilities under option contracts – Nil as at March 31, 2016 and March 31, 2015.

52.4 Financial assets pledged

The following financial assets have been pledged:

Financial Asset	Carrying value 31-Mar-16	Carrying value 31-Mar-15	Liability / Contingent Liability for which pledged as collateral	₹ In Million
				Terms and conditions relating to pledge
I. Investments				
Investment in mutual funds	4,024.96	4,015.00	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	1.36	12.00	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				
	473.28	270.69	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, 2016 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 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:

Notes

forming part of the consolidated financial statements

Financial assets/ (liabilities)

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Fixed		
Financial Assets	17,450.79	6,704.72
Financial Liabilities	(10,353.07)	(4,130.57)
	7,097.72	2,574.15
Floating		
Financial Assets	12,076.03	5,612.89
Financial Liabilities	(36,677.34)	(8,917.08)
	(24,601.31)	(3,304.19)

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, AUD and GBP 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, 2016. (Figures in brackets relates to Previous Year).

Financial Liabilities	₹ In Million					
	Due within (years)					
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5
Bank & other borrowings	9,158.19	8,635.68	3,099.22	3,479.13	3,370.01	8,870.78
	(6,243.19)	(1,004.71)	(1,019.37)	(187.58)	(387.22)	(75.00)
Interest payable on borrowings	156.43	-	-	-	-	-
	(28.15)	-	-	-	-	-
Trade and other payables not in net debt	9,947.17	54.25	51.51	50.86	50.86	106.31
	(3,864.55)	(36.78)	(37.99)	(39.64)	(37.41)	(86.05)
Total	19,261.79	8,689.93	3,150.73	3,529.99	3,420.88	8,977.09
	(10,135.89)	(1,041.49)	(1,057.36)	(227.22)	(424.63)	(161.05)

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, 2016:

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 ₹ 364.94 Million (Previous year: ₹ 89.17 Million) assuming the loans as of March 31, 2016 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

Notes

forming part of the consolidated financial statements

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 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). The impact on account of 5% appreciation / depreciation in the exchange rate of the above foreign currencies against INR is given below:

Particulars	₹ In Million	
	Increase/ (Decrease) in Equity in	
	March 31, 2016	March 31, 2015
Appreciation in the USD	(511.04)	(210.81)
Depreciation in the USD	511.04	210.81
Appreciation in the EUR	17.67	65.32
Depreciation in the EUR	(17.67)	(65.32)
Appreciation in the AUD	236.70	2.83
Depreciation in the AUD	(236.70)	(2.83)
Appreciation in the GBP	114.18	(13.03)
Depreciation in the GBP	(114.18)	13.03
Appreciation in the SGD	(0.32)	-
Depreciation in the SGD	0.32	-

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, 2016.

NOTE NO. 53 ADDITIONAL DISCLOSURE RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

53.1 Goodwill on consolidation:

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Opening balance (net of accumulated impairment)	1,368.37	1,033.95
Add: On acquisition of subsidiaries / additional investments during the year	639.95	307.14
Add: Exchange difference during the year on translation of goodwill of foreign subsidiaries	45.38	27.28
Less: On issue of equity shares to minority shareholder during the year (Refer note 36)	(286.03)	-
Total	1,767.67	1,368.37

53.2 The effect of acquisition of subsidiaries:

The effect of acquisition of subsidiaries [referred in note 35 (b) (v) and 35 (d) (i)] on the financial position and results as included in the consolidated financial statements is given below:

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Liabilities as at (date of acquisition)	128.06	8.57
Assets as at (date of acquisition)	265.92	5.70
Revenue for the year ended	61.50	3.87
Expenses for the year ended	(46.11)	(8.19)
Profit / (Loss) before tax for the year ended	15.39	(4.32)
Profit / (Loss) after tax for the year ended	12.64	(4.32)

Note: The above details on acquisition of subsidiaries does not include step-up acquisition in an existing subsidiary.

Notes

forming part of the consolidated financial statements

NOTE NO. 54 OTHER MATTERS

- (a) In respect of freehold land to the extent of 7.20 acres (as at March 31, 2016 gross block and net block amounting to Rs. 257.67 Million) capitalised in the books of the Company, the title deeds are under dispute. The Company has been legally advised that it has title deed in its name and that it will be able defend any counter claims to such parcel of land under dispute.
- (b) The title deeds of freehold land and building admeasuring 57.82 acres (as at March 31, 2016 gross block Rs. 2,191.62 Million and net block of Rs. 1,534.50 Million) capitalised in the books of the Company are in the name of erstwhile Companies which were merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Courts of judicature. The Company is in the process transferring the title deeds of such properties in its name.
- (c) In respect of buildings admeasuring 1,470 sq. ft. (as at March 31, 2016 gross block of Rs. 4.05 Million and net block Rs. 1.59 Million) capitalised in the books of the Company, the title deeds are not in the name of the Company. The Company is in the process transferring the title deeds of such buildings in its name.

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	Net assets, i.e., total assets minus total liabilities at March 31, 2016		Share of profit or loss for the year ended March 31, 2016	
	As % of consolidated net assets	₹ in Million	As % of consolidated profit or loss	₹ in Million
Strides Shasun Limited	37.87%	31,354.11	32.13%	1,610.73
Indian Subsidiaries:				
- Arrow Remedies Private Limited	0.00%	0.09	0.00%	(0.01)
- Chemsynth Laboratories Private Limited	0.07%	61.82	(0.16%)	(8.09)
- Fagris Medica Private Limited	(0.01%)	(9.25)	(0.06%)	(3.05)
- Strides Biologix Private Limited	0.12%	95.49	(0.14%)	(7.01)
- Stelis Biopharma Private Limited	0.55%	455.06	(8.54%)	(428.26)
- Strides Emerging Market Private Limited	0.18%	145.15	(1.64%)	(82.33)
- Strides Healthcare Private Limited	0.71%	584.66	(0.87%)	(43.39)
Foreign Subsidiaries:				
- African Pharmaceutical Development Company	0.02%	16.48	(0.21%)	(10.73)
- Alliance Pharmacy Pty Limited	0.00%	0.01	0.00%	-
- Altima Innovations Inc.	0.00%	0.19	0.00%	(0.20)
- Arrow Pharma (Private) Limited	0.01%	5.70	(0.14%)	(6.91)
- Arrow Pharma Life Inc.	0.02%	14.88	(0.03%)	(1.29)
- Arrow Pharma Pte Limited	0.03%	22.09	(0.47%)	(23.63)
- Arrow Pharmaceuticals Pty Limited	6.22%	5,151.02	4.16%	208.66
- Beltapharm SpA	0.14%	118.26	(1.68%)	(84.40)
- Pharmacy Alliance Group Holdings Pty Limited	0.00%	-	0.00%	-
- Pharmacy Alliance Investments Pty Limited	0.86%	710.26	0.00%	-
- Pharmacy Alliance Pty Limited	0.18%	151.17	0.25%	12.64
- Sorepharm, Burkinofaso	(0.01%)	(5.30)	0.08%	4.04
- SPC Co. Ltd Sudan	0.00%	(0.06)	0.00%	-
- Stelis Biopharma (Malaysia) SDN. BHD.	0.12%	96.23	(2.05%)	(102.99)
- Strides Africa Limited	(0.05%)	(37.55)	0.00%	-
- Strides Arcolab (Australia) Pty Limited	5.99%	4,961.82	0.00%	(0.01)
- Strides Arcolab International Limited	2.99%	2,478.04	(0.83%)	(41.63)
- Strides CIS Limited	0.00%	3.68	(0.24%)	(11.97)
- Strides Pharma (Cyprus) Limited	3.55%	2,937.84	10.19%	510.62
- Strides Pharma (UK) Limited	4.98%	4,119.87	(0.12%)	(5.87)
- Strides Pharma Asia Pte Limited	7.69%	6,364.03	(5.01%)	(251.36)
- Strides Pharma Botswana (Pty) Limited	0.02%	20.15	0.22%	10.80
- Strides Pharma Cameroon	0.00%	1.15	0.00%	-

Notes

forming part of the consolidated financial statements

Name of the entity	Net assets, i.e., total assets minus total liabilities at March 31, 2016		Share of profit or loss for the year ended March 31, 2016	
	As % of consolidated net assets	₹ in Million	As % of consolidated profit or loss	₹ in Million
- Strides Pharma Global Pte Limited	15.42%	12,764.84	20.73%	1,039.08
- Strides Pharma Inc.	2.73%	2,261.12	31.80%	1,594.10
- Strides Pharma International Limited	4.82%	3,988.30	(3.92%)	(196.30)
- Strides Pharma Limited	4.36%	3,608.23	22.49%	1,127.22
- Strides Pharma Mozambique	0.00%	-	0.00%	-
- Strides Pharma Namibia Pty Limited	0.01%	5.76	(0.19%)	(9.42)
- Strides Pharma (SA) Pty Limited	0.00%	(1.62)	(0.03%)	(1.74)
- Strides Shasun (UK) Limited	0.22%	178.82	2.74%	137.50
- Strides Specialties (Holdings) Limited	0.00%	(0.63)	0.00%	(0.19)
- Strides Vital Nigeria Limited	(0.65%)	(538.53)	(0.56%)	(28.04)
- Shasun USA Inc.	(0.27%)	(221.92)	(0.11%)	(5.29)
- SVADS Holdings SA	0.55%	454.93	0.03%	1.31
- Shasun Pharma Solutions Limited	0.60%	494.86	2.26%	113.44
- Shasun Pharma Solutions Inc.	0.04%	29.01	0.00%	(0.02)
- Stabilis Pharma Inc.	(0.01%)	(9.37)	(0.05%)	(2.28)
Foreign Joint ventures:				
- Shasun NBI LLC	(0.05%)	(38.80)	(0.01%)	(0.58)
Total	100.00%	82,792.09	100.00%	5,013.15
a) Adjustments arising out of consolidation		(53,732.19)		(3,050.38)
b) Minority Interest in all subsidiaries:				
Indian Subsidiaries:				
- Chemsynth Laboratories Private Limited		(29.43)		4.13
- Strides Biologix Private Limited		(46.79)		3.43
- Stelis Biopharma Private Limited		(114.22)		107.73
- Strides Healthcare Private Limited		(152.01)		11.59
Foreign Subsidiaries:				
- African Pharmaceutical Development Company		(2.44)		5.54
- Arrow Pharma Pte Limited		(1.10)		1.19
- Pharmacy Alliance Pty Limited		(74.07)		(6.52)
- Strides Pharma Botswana (Pty) Limited		(6.05)		(3.15)
- Strides Pharma Cameroon		(0.17)		-
- Strides Pharma Namibia Pty Limited		(1.73)		2.65
Total		28,631.89		2,089.36

NOTE NO. 56

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Independent Auditor's Report

To the Members of Strides Shasun Limited (Formerly Strides Arcolab Limited)

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

1. We have audited the accompanying standalone financial statements of STRIDES SHASUN LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2016, 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

2. 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 standalone 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 prescribed under section 133 of the Act, as applicable.

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

3. 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 and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements 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. 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

4. 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, 2016, and its profit and its cash flows for the year ended on that date.

EMPHASIS OF MATTER

5. a) We draw attention to Note 40 (A) to the standalone financial statements regarding the notification of claims received from Mylan under the terms of the Share Purchase Agreements (SPAs) for sale of investments in entities in the Specialities products business in an earlier year, which the Company has disputed. As stated in the Note, the Company has provided a guarantee in favour of Mylan and certain amounts have been set aside in escrows under the terms of the SPAs. As explained in the Note, given the nature of the claims included in the notification and the information provided by Mylan so far, the Company has not been able to make a reliable

estimate of obligations, if any, arising from these claims and has made the disclosures under Accounting Standard 29 “Provisions, Contingent Liabilities and Contingent Assets” in this regard.

5. b) We draw attention to the Note 51 to the standalone financial statements regarding the early adopted Accounting Standard (AS) 30 ‘Financial Instruments: Recognition and Measurement’, AS 31 ‘Financial Instruments: Presentation’ and AS 32 ‘Financial Instruments: Disclosure’, by the Company to the extent such standards do not conflict with the Accounting Standards prescribed under Section 133 of the Act.

Our opinion is not modified in respect of the above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

6. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought, and read with our comments in paragraph 5(a) under the Emphasis of Matter paragraph above, have 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 prescribed under section 133 of the Act, as applicable.
- (e) In our opinion, any unfavourable outcome with regard to the matter referred to in Note 40(A) to the financial statements resulting in a outflow of resources, significantly in excess of amounts set aside in escrows stated in the said Note, may have an adverse effect on the functioning of the Company.

- (f) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

- (h) 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. Taking into the consideration the matter referred in Note 40(A), the Company has disclosed the impact of pending litigations on its financial position in its 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

7. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm’s Registration No. 008072S)

V. Srikumar
Partner

Bengaluru, May 16, 2016

(Membership No. 84494)

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 6(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of STRIDES SHASUN LIMITED (the “Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm’s Registration No. 008072S)

V. Sri Kumar
Partner

Bengaluru, May 16, 2016

(Membership No. 84494)

Annexure B to the Independent Auditor's Report (Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (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 items in a phased manner over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. In accordance with the programme, fixed assets were physically verified by the Management. According to the information and explanation given to us, no material discrepancies were noted on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land and building	Gross Block (Rs. in Million as at 31-Mar-16)	Net Block (Rs. in Million as at 31-Mar-16)	Remarks
Freehold land admeasuring 7.20 Acres	257.67	257.67	The title deeds are under dispute. In respect of such dispute, the Company has been legally advised that it has the title deed in its name for the aforesaid immovable properties and that it will be able to defend any counter claims to such property.
Freehold land and building admeasuring 57.82 Acres	2,191.62	1,534.50	The title deeds are in the name of erstwhile Companies that were merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Courts of judicature
Building admeasuring 1,470 sq. ft.	4.05	1.59	The title deeds are not in the name of the Company.

Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc., are held in the name of the Company based on the confirmations directly received by us from lenders / parties. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- (c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and there were no unclaimed deposits.

- vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended 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, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in Million)
The Income Tax Act, 1961	Income Tax	Supreme Court	1999-00 & 2001-02	3.15
The Income-Tax Act,1961	Income Tax	Income Tax Appellate Tribunal	AY 2008-09	202.09 (net of tax paid under protest of 211.30)
The Income-Tax Act,1961	Income Tax	Income Tax Appellate Tribunal	AY 2009-10	285.49 (net of tax paid under protest of 140.47)
The Income-Tax Act,1961	Income Tax	Income Tax Appellate Tribunal	AY 2011-12	94.02 (net of tax paid under protest of 15)
Central Excise Act, 1944	Central Excise	Customs, Excise and Service Tax Appellate Tribunal	Various dates	3.96 (net of tax paid under protest of 0.78)
Central Excise Act, 1944	Central Excise	CIT (Appeals)	FY 2012-13	0.21 (net of tax paid under protest of 0.01)
Central Excise Act, 1944	Central Excise	High Court	July 2002	3.05 (net of tax paid under protest of 0.34)
Central Excise Act, 1944	Central Excise	CCE(Appeals)	Various dates	3.59
The Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various dates	16.86 (net of tax paid under protest of 0.40)
The Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various dates	54.72 (net of tax paid under protest of 0.35)
The Finance Act, 1994	Service Tax	CIT (Appeals)	Various dates	2.06 (net of tax paid under protest of 0.14)
The Finance Act, 1994	Service Tax	High Court	FY 2006-07	0.05
Andhra Pradesh Value Added Tax Act, 2005	Andhra Pradesh VAT	Appellate Deputy Commissioner of Commercial taxes	FY 2011-12	2.29

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures and did not have any borrowings from government.
- (ix) In our opinion and according to the information and explanations given to us, term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds from term loans.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made private placement of shares during the year under review.
- In respect of the above issue, we further report that
- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
 - b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

V. Srikumar
Partner

Bengaluru, May 16, 2016

(Membership No. 84494)

Balance Sheet

as at March 31, 2016

		₹ In Million	
	Note No.	March 31, 2016	March 31, 2015
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a)	3	893.46	596.16
(b)	4	30,460.63	14,148.07
		31,354.09	14,744.23
2 Non-current liabilities			
(a)	5	8,807.01	1,642.45
(b)	6	336.19	-
(c)	7	149.88	125.90
(d)	8	101.44	54.79
		9,394.52	1,823.14
3 Current liabilities			
(a)	9	5,444.13	1,626.60
(b)	10		
		69.39	18.83
		4,902.28	1,867.41
(c)	11	1,956.85	1,033.87
(d)	12	518.68	410.06
		12,891.33	4,956.77
Total		53,639.94	21,524.14
B ASSETS			
1 Non-current assets			
(a)			
		7,817.27	3,303.03
	13	2,771.05	641.99
		1,264.24	210.74
		536.64	180.24
		12,389.20	4,336.00
(b)	14	12,339.18	4,071.69
(c)	6	-	17.64
(d)	15	2,302.55	932.43
(e)	16	18.95	12.65
		27,049.88	9,370.41
2 Current assets			
(a)	17	11,329.48	5,612.89
(b)	18	3,792.34	1,554.04
(c)	19	7,022.95	2,560.14
(d)	20	943.44	742.95
(e)	21	3,261.56	1,021.23
(f)	22	240.29	662.48
		26,590.06	12,153.73
Total		53,639.94	21,524.14

See accompanying notes forming part of the financial statements

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

For and on behalf of Board of Directors

V. Srikumar
Partner

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman &
Managing Director

Badree Komandur
Group CFO & Company Secretary
Bengaluru, May 16, 2016

Bengaluru, May 16, 2016

Statement of Profit and Loss

for the year ended March 31, 2016

	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
₹ In Million			
1			
Revenue from operations (gross)	23	22,612.83	9,331.04
Less: Excise duty		577.92	36.86
Revenue from operations (net)		22,034.91	9,294.18
2			
Other income	24	1,409.61	1,001.76
3 Total revenue (1+2)		23,444.52	10,295.94
4 Expenses			
(a) Cost of materials consumed	25	11,594.26	4,732.84
(b) Purchase of stock-in-trade	26	908.15	498.31
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	44.80	(68.80)
(d) Employee benefits expense	28	2,749.73	1,201.97
(e) Other expenses	29	3,917.37	1,590.66
Total		19,214.31	7,954.98
5 Earning before exceptional items, interest, tax, depreciation and amortisation(EBITDA) (3-4)		4,230.21	2,340.96
6			
Finance costs	30	1,027.12	344.23
7			
Depreciation and amortisation expense	13	1,058.48	492.54
8 Profit before exceptional items and tax (5-6-7)		2,144.61	1,504.19
9			
Exceptional items gain / (loss) (net)	31	(251.75)	5,186.14
10 Profit before tax (8+9)		1,892.86	6,690.33
11			
Tax expense	32	282.14	1,367.14
12 Profit for the year (10-11)		1,610.72	5,323.19
13 Earnings per share (of ₹ 10/- each)	49		
- Basic		19.50	89.36
- Diluted		19.38	88.99

See accompanying notes forming part of the financial statements

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

For and on behalf of Board of Directors

V. Srikumar
Partner

Deepak Vaidya
Chairman

Arun Kumar
Executive Vice Chairman &
Managing Director

Bengaluru, May 16, 2016

Badree Komandur
Group CFO & Company Secretary
Bengaluru, May 16, 2016

Cash Flow Statement

for the year ended March 31, 2016

	For the year ended March 31, 2016	For the year ended March 31, 2015
₹ In Million		
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	1,892.86	6,690.33
Adjustments for:		
- Depreciation and amortisation expense	1,058.48	492.54
- (Profit) / loss on sale of assets / assets written off (net)	(0.98)	0.47
- Expenses on employee stock option plans	11.73	8.96
- Interest expense on borrowings	807.68	208.06
- Interest on delayed payment of income tax	2.96	16.89
- Interest received from banks / recovered from group companies	(59.47)	(74.95)
- Dividend income from group companies and from investment in mutual funds	(370.96)	(4,609.22)
- Profit on sale of investments in mutual fund	(369.46)	-
- Profit on sale of investment (net)	(126.21)	(852.68)
- Rental income from operating leases	(73.12)	(140.09)
- Liabilities / provisions no longer required written back	(46.58)	(17.11)
- Bad debts written off / provision for doubtful trade and other receivables	26.18	-
- Unbilled revenue written off	-	9.38
- Merger and restructuring costs	50.31	109.40
- Reversal of provision towards impairment of certain fixed assets	(4.05)	-
- Write-off of assets under development and others	-	9.00
- Impact of aligning the accounting policies on merger (Refer note 41(i))	168.16	-
- Net unrealised exchange (gain) / loss	48.87	129.25
Operating profit before working capital changes	3,016.40	1,980.23
Changes in working capital:		
(Increase)/decrease in trade and other receivables	(1,976.71)	1,179.86
(Increase)/decrease in inventories	(123.27)	(186.03)
Increase/(decrease) in trade and other payables	402.15	(410.36)
(Increase)/decrease in margin money	10.64	1.11
Net change in working capital	(1,687.19)	584.58
Cash generated from operations	1,329.21	2,564.81
Direct taxes paid and others	(493.59)	(490.94)
Net cash flow from operating activities A	835.62	2,073.87
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advance	(4,366.49)	(690.36)
Proceeds from sale of fixed assets	27.84	3.75
Short-term investments in mutual funds (to the extent not considered as cash and cash equivalents)	(3,566.36)	(3,615.00)
Proceeds from sale of investment in mutual funds	3,925.86	-
Share application money paid to subsidiaries	(4,482.28)	(2,004.79)
Share application money refunded from subsidiaries	90.00	3,185.83
Purchase of long-term investments in subsidiaries	(3,139.32)	(725.07)
Purchase of long-term investments in others	(110.89)	-
Proceeds from sale of long-term investments (Refer note 40)	779.50	3,920.99
Expenses relating to sale of long-term investments in subsidiaries	(3.29)	(66.33)
Capital gain tax paid on the sale of long term investments	(26.93)	(180.09)
Loan to others	(100.00)	-
Advance / loan given / repaid to subsidiaries	(1,122.03)	(247.81)
Advance / loan taken / repaid from subsidiaries	489.40	143.08
Interest and dividends received	975.93	4,121.35
Rental income from operating leases	66.82	130.16
Expenses relating to merger	(81.56)	(78.15)
Taxes paid on dividends from subsidiaries	-	(848.09)
Net cash flow from investing activities B	(10,643.80)	3,049.47

Cash Flow Statement

for the year ended March 31, 2016

₹ In Million

	For the year ended March 31, 2016	For the year ended March 31, 2015
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	11,642.47	16.12
Share issue expenses	(326.66)	-
Proceeds from long-term borrowings	7,929.74	-
Repayment of long-term borrowings	(2,795.87)	(454.85)
Proceeds from / (repayment) of short-term borrowings	292.43	(310.59)
Dividends paid	(246.10)	(6,552.22)
Dividend distribution taxes paid (net of applicable taxes paid on dividend income from foreign subsidiaries)	(14.07)	(511.05)
Interest paid on borrowings	(773.51)	(209.49)
Net cash generated from financing activities C	15,708.43	(8,022.08)
Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)	5,900.25	(2,898.74)
Cash and cash equivalents at the beginning of the year	2,258.18	5,156.92
Pursuant to the scheme of amalgamation (refer note 41(i))	19.34	-
Cash and cash equivalents at the end of the year	8,177.77	2,258.18
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per balance sheet (Refer note 20)	943.44	742.95
Less: Balances in earmarked accounts not considered as cash and cash equivalents as defined in AS 3 'Cash Flow Statements'	(70.19)	(82.66)
Net cash and cash equivalents included in note 20	873.25	660.29
Add: Current investments considered as part of cash and cash equivalents as defined in AS 3 'Cash Flow Statements' (Refer note 17)	7,304.52	1,597.89
Net cash and cash equivalents at the end of the year*	8,177.77	2,258.18
* Comprises:		
Cash on hand	2.67	1.82
Balance with banks:		
- In current accounts	533.49	303.37
- In Escrow accounts	2.00	-
- In deposit accounts	332.24	344.13
- Funds-in-transit	2.85	10.97
Current investments considered as part of cash and cash equivalents	7,304.52	1,597.89
Total	8,177.77	2,258.18

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

For and on behalf of Board of Directors

V. Srikumar

Partner

Deepak Vaidya

Chairman

Arun Kumar

Executive Vice Chairman &
Managing Director

Badree Komandur

Group CFO & Company Secretary

Bengaluru, May 16, 2016

Bengaluru, May 16, 2016

Notes

forming part of the financial statements

CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

Strides Shasun Limited (Formerly 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 BSE Limited and the National Stock Exchange of India Limited.

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 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 (AS) 30: 'Financial Instruments: Recognition and Measurement' read with AS 31 'Financial Instruments: Presentation' and AS 32 'Financial 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.

2.3 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.

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.

Notes

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 buildings	: 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 years to 10 years
Software Licenses	: 5 years

With respect to assets carried at fair value as permitted under the Scheme, depreciation / amortisation 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, Merchandise Export from India Scheme, 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, if any. The cost of fixed assets comprises its purchase

Notes

forming part of the financial statements

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.

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 amortisation 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 note 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-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.

Notes

forming part of the financial statements

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 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 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 are accumulated in Exchange Reserve until disposal / recovery of the net investment, in which case the accumulated balance in Exchange 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 on translation of balances relating to non-integral foreign operations are accumulated in Exchange reserve until disposal of the operation, in which case the accumulated balance in Exchange Reserve is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

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 note 2.B.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.

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.

Notes

forming part of the financial statements

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 Securities and Exchange Board of India (Share Based Employee Benefit) Regulations 2014. 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 amortised 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.

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 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

Notes

forming part of the financial statements

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.

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:

Notes

forming part of the financial statements

- (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 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.

Notes

forming part of the financial statements

Other financial liabilities are carried at amortised 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.

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:

- (a) Exchange gain / loss arising on account of restatement and settlement of (i) long term foreign currency loans, (ii) intra-group loans;

Notes

forming part of the financial statements

- (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 costs.

2.25 Operating cycle

As mentioned in note 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 Million	
		March 31, 2016	March 31, 2015
NOTE NO. 3	SHARE CAPITAL		
Authorised			
176,750,000 (Previous year 89,750,000) Equity shares of ₹ 10/- each with voting rights (Refer note 41(i))		1,767.50	897.50
Nil (Previous year 620,000) 6% Cumulative redeemable preference shares of ₹ 1,000/- each (Refer note 41(i))		-	620.00
Total		1,767.50	1,517.50
Issued, subscribed and fully paid-up			
89,345,978 (Previous Year 59,615,621) Equity shares of ₹10/- each with voting rights		893.46	596.16
Total		893.46	596.16

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, 2016		March 31, 2015	
	No. of Shares	₹ In Million	No. of Shares	₹ In Million
Equity share of ₹ 10/- each				
Opening balance	59,615,621	596.16	59,565,621	595.66
-Issued pursuant to employee stock option plans (Refer note 44)	85,000	0.85	50,000	0.50
-Issued pursuant to the scheme of amalgamation (Refer note 41(i))	21,017,329	210.17	-	-
-Issued pursuant to the qualified institutional placement (Refer note 42)	8,628,028	86.28	-	-
Closing balance	89,345,978	893.46	59,615,621	596.16

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.

Notes

forming part of the financial statements

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

Particulars	March 31, 2016		March 31, 2015	
	No. of Shares	%	No. of Shares	%
Pronomz Ventures LLP	12,665,000	14.18%	12,665,000	21.24%
DB International (Asia) Limited	-	-	3,963,972	6.65%

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

Particulars	No. of Shares	
	March 31, 2016	March 31, 2015
Towards Employee stock options under the various Strides stock options plans (including 48,875 stock options to be issued to employees of erstwhile Shasun pursuant to the Scheme of Amalgamation, refer note 41 (i) for further details)	335,000	1,890,450
Total	335,000	1,890,450

NOTE NO. 4 RESERVES AND SURPLUS	₹ In Million	
	March 31, 2016	March 31, 2015
Capital reserve (on forfeiture of monies received towards share warrants)		
Opening Balance	225.60	225.60
Add: Pursuant to the scheme of amalgamation (Refer note 41(i))	3.00	-
Less: Excess of share capital issued by the Company over the capital of the Transferor company pursuant to the merger (Refer note 41(i)).	(75.66)	-
Closing balance	152.94	225.60
Capital redemption reserve		
Opening balance	551.61	551.61
Add: Pursuant to the scheme of amalgamation (Refer note 41(i))	50.00	-
Closing balance	601.61	551.61
Securities premium account		
a) Securities premium		
Opening balance	6,013.74	5,995.28
Add: Pursuant to the scheme of amalgamation (Refer note 41(i))	1,381.78	-
Add: Premium on shares issued during the year (Refer note (iv) below and Refer note 42)	11,743.87	18.46
Less: Shares issue expenses incurred during the year	(326.66)	-
Sub total	18,812.73	6,013.74
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	22,659.11	9,860.12
Share options outstanding account (Refer note 44)		
Opening balance	28.20	22.74
Add: Pursuant to the scheme of amalgamation (Refer note 41(i))	4.79	-
Add: Amounts recorded on grants / (cancellations) during the year	-	8.30
Less: Transferred to securities premium account on exercise (net)	(7.53)	(2.84)
	25.46	28.20
Less: Deferred stock compensation expenses	(8.39)	(20.12)
Closing balance	17.07	8.08
General reserve		
Opening balance	3,365.00	3,925.72
Add: Pursuant to the scheme of amalgamation (Refer note 41(i))	471.44	-
Less: Transferred to Surplus in Statement of Profit and Loss	-	(560.72)
Closing balance	3,836.44	3,365.00

Notes

forming part of the financial statements

	March 31, 2016	March 31, 2015
₹ In Million		
NOTE NO. 4 RESERVES AND SURPLUS		
Foreign currency monetary items translation difference account		
Opening balance	-	-
Add: Pursuant to the scheme of amalgamation (Refer note 41(i))	(4.22)	-
Less: Transferred to Statement of Profit and Loss (Refer note 41(i))	4.22	-
Closing balance	-	-
Hedge reserve (Refer note 51.4)		
Opening balance	90.40	81.18
Add: Effect of foreign exchange rate variations on hedging instruments outstanding during the year	15.94	165.81
Add / (Less): Transferred to Statement of Profit and Loss	33.96	(156.59)
Closing balance	140.30	90.40
Surplus in Statement of Profit and Loss		
Opening balance	47.26	1,085.82
Add: Pursuant to the scheme of amalgamation (Refer note 41(i))	1,916.75	-
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(viii))	(8.07)	(28.79)
Add: Profit for the year	1,610.72	5,323.19
Add: Transferred from general reserve	-	560.72
Less: Special dividend on equity shares (₹ Nil, Previous year ₹ 105 per share)	-	(6,254.39)
Interim dividend on equity shares (₹ 1 per share, Previous year ₹ Nil) (Refer note (iii) below)	(67.22)	-
Proposed dividend on equity shares (₹ 4 per share, Previous year ₹ 3 per share) (Refer note (ii) below)	(357.41)	(178.85)
Tax on special dividend (Refer note (i) below)	-	(460.44)
Tax on interim dividend (Refer note (iii) below)	(14.07)	-
Tax on proposed dividend	(74.80)	-
Closing balance	3,053.16	47.26
Total	30,460.63	14,148.07

Note:

- (i) Tax on special dividend and proposed dividend is after factoring credit on account of dividend income from wholly-owned foreign subsidiaries.
- (ii) Proposed dividend includes ₹ 0.03 Million related to previous year on additional shares issued before the annual general meeting
- (iii) Interim dividend is declared by erstwhile Shasun Pharmaceuticals Limited ('Shasun') between the appointed date and effective date of the merger (Refer note 41(i))
- (iv) Premium on shares issued during the year includes a sum of ₹ 772.15 Million received against allotment of equity shares by erstwhile Shasun to its shareholders after appointed date of merger but prior to effective date of merger (Refer note 41(i))

	March 31, 2016	March 31, 2015
₹ In Million		
NOTE NO. 5 LONG-TERM BORROWINGS		
Secured		
Term loan from banks (Refer note (i) to (v) below)	5,634.91	1,640.13
Term loan from others (Refer note (vi) and (vii) below)	3,115.49	2.32
Finance lease obligation (Refer note (viii) below)	56.61	-
Total	8,807.01	1,642.45

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

	March 31, 2016	March 31, 2015
₹ In Million		
Terms of repayment and security		
(i) Term loans from banks: Loan 1		
Long-term loan	8.26	-
Current maturities of long-term loan	5.06	0.23

Notes

forming part of the financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
Terms of repayment and security		
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. The outstanding installments as at March 31, 2016 varies between 28 to 32 installments.		
(ii) Term loans from banks: Loan 2		
Long-term loan	889.54	1,640.13
Current maturities of long-term loan	849.11	781.31
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 utilisation date. The outstanding term as at March 31, 2016 is 8 installments.		
(iii) Term loans from banks: Loan 3		
Long-term loan	3,000.00	-
Current maturities of long-term loan	-	-
Security: Charge on brands and IPs present and future, ensuring 1.25 times security cover.		
Rate of interest: Bank Base rate + 0.25% p.a. Repayment terms: 14 unequal quarterly installments commencing after 18 months from initial utilisation date. The outstanding term as at March 31, 2016 is 14 installments.		
(iv) Term loans from banks: Loan 4		
Long-term loan	188.92	-
Current maturities of long-term loan	132.50	-
Security: Pari passu first charge on fixed assets in formulation unit and active pharmaceutical ingredient unit located at Pondicherry; multi product unit located at Cuddalore; research center located at Vandalur; dispensary located at Pondicherry ; land located in Periya Kalapet village and pari passu second charge on the entire current assets of the Company. Rate of interest: LIBOR + 3% to 4.50% p.a.		
Repayment terms: 16 equal quarterly installments commencing after 15 months from initial utilisation date. The outstanding term as at March 31, 2016 varies between 2 to 14 installments.		
(v) Term loans from banks: Loan 5		
Long-term loan	1,548.19	-
Current maturities of long-term loan	393.90	-
Security: Pari passu first charge on the entire fixed assets of the company existing and future on pari passu basis with other existing term lenders and second charge on current assets of the Company on paripassu basis with other term lenders		
Rate of interest: Bank base rate + 1.05% p.a / 3 months LIBOR + 3% p.a. Repayment terms: 66 equal monthly installments commencing after 6 months from initial utilisation date. The outstanding term as at March 31, 2016 is 66 installments.		
(vi) Term loans from others: Loan 1		
Long-term loan	3,114.22	-
Current maturities of long-term loan	-	-
Security: Charge on fixed assets of the Company, (other than land and building situated at Navi Mumbai, Palghar and Hosur), charge will be shared with existing ECB & term lender, Hypothecation of the Pharma brands / IPs .		
Rate of interest: three month LIBOR + 3.65% p.a. Repayment terms: 14 unequal half yearly installments commencing after 18 months from initial utilisation date. The outstanding term as at March 31, 2016 is 14 installments.		

Notes

forming part of the financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
Terms of repayment and security		
(vii) Long-term loans from others: Loan 2		
Long-term loan	1.27	2.32
Current maturities of long-term loan	1.07	0.97
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. The outstanding term as at March 31, 2016 is 25 installments.		
(viii) Finance Lease obligation:		
Long-term maturity of Finance lease obligation	56.61	-
Current maturities of Finance lease obligation	15.32	-
Rate of interest: 10.37% p.a.		
Repayment terms: Repayable in 20 quarterly installments commencing from July 2015. The outstanding term as at March 31, 2016 is 17 installments.		
(ix) Unsecured loan:		
Long-term loan	-	-
Current maturities of long-term loan	1.86	-
Rate of interest: 11.86% p.a.		
Repayment terms: Repayable in 16 quarterly installments and 4 installments are outstanding as at March 31, 2016		
Total	10,205.83	2,424.96

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

	₹ In Million	
	March 31, 2016	March 31, 2015
Particulars		
Term loans from banks (secured and including current maturities of these loans)	1,738.65	2,421.44
Total	1,738.65	2,421.44

	₹ In Million	
	March 31, 2016	March 31, 2015
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	550.96	130.02
Provision for compensated absences, gratuity, other employee benefits and provision for doubtful debts / advances	(214.77)	(147.66)
Deferred tax (asset) / liability (net)	336.19	(17.64)

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 7 OTHER LONG-TERM LIABILITIES		
Others:		
- Towards gratuity (Refer note 45)	90.40	71.95
- Security deposits	55.45	49.25
- Lease equalisation liability	4.03	4.70
Total	149.88	125.90

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 8 LONG-TERM PROVISIONS		
Provision for employee benefits:		
- Compensated absence	101.44	54.79
Total	101.44	54.79

Notes

forming part of the financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 9 SHORT-TERM BORROWINGS		
Secured loans repayable on demand from banks: (Refer note below)		
- Working capital loans	5,204.57	1,400.62
- Short-term loans	239.56	225.98
Total	5,444.13	1,626.60

Note:

Details of security for the secured loans repayable on demand: 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 ₹ 243.60 Million (previous year ₹ 415 Million).

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 10 TRADE PAYABLES		
Trade payables:		
- Total outstanding dues of micro enterprises and small enterprises (Refer note (i) below)	69.39	18.83
- Total outstanding dues of creditors other than micro enterprises:		
- Acceptances	1,402.78	304.92
- Other than acceptances	3,499.50	1,562.49
Total	4,971.67	1,886.24

Note:

(i) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	₹ In Million	
	March 31, 2016	March 31, 2015
(i) Principal amount remaining unpaid to any suppliers as at the end of the accounting year	69.23	18.83
(ii) Interest due thereon remaining unpaid to any suppliers as at the end of the accounting year	0.16	-
(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	0.16	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.16	-
(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	0.16	-

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.

Notes

forming part of the financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 11 OTHER CURRENT LIABILITIES		
Current maturities of long-term debts (Refer note 5 above)	1,383.50	782.51
Current maturities of finance lease obligation (Refer note 5 above)	15.32	-
Interest accrued but not due on borrowings	93.40	25.72
Unclaimed dividends (Refer note (i) below)	68.52	67.55
Other payables:		
- Statutory remittances	144.95	62.99
- Payables on purchase of fixed assets	78.89	8.76
- Payables on purchase of non-current investments (Refer note 41(v))	1.70	1.70
- Trade deposits received	16.10	17.71
- Advance from customers	49.45	31.19
- Payable to subsidiaries	10.59	35.74
- Book overdraft	64.33	-
- Gratuity (Refer note 45)	30.10	-
Total	1,956.85	1,033.87

Note:

- (i) As required under Section 124, an amount of Rs. 1.23 million was transferred to IEPF in the previous year. No amount was due for such transfer during year ending March 31, 2016.

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 12 SHORT-TERM PROVISIONS		
Provision for employee benefits:		
- Compensated absences	58.23	49.85
- Payable to employees under incentive plan	28.27	78.40
Provision - Others:		
- Provision for income tax (net of advance tax ₹ Nil (Previous year ₹ 1,340.41 Million))	-	102.96
- Proposed equity dividends	357.38	178.85
- Tax on proposed dividends	74.80	-
Total	518.68	410.06

Amounts remitted in foreign currency during the year on account of dividends

Particulars	March 31, 2016	March 31, 2015
Amount of dividends remitted in foreign currency (₹ In Million)	0.43	8.80
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	3	1
Total number of shares held by them on which dividend was due	271,646	80,000
Year to which the dividend relates	2014-15 & 2015-16	2013-14 & 2014-15
Out of dividend of ₹ 0.43 Million remitted in foreign currency, ₹ 0.24 Million relates to the dividend declared by the Company for the year ended March 31, 2015 for 80,000 shares and ₹ 0.19 Million relates to interim dividend declared by erstwhile Shasun Pharmaceuticals Limited to its shareholders during the year ended March 31, 2016 prior to the effective date of merger. Dividend remitted during the year ended March 31, 2015 includes ₹ 8.40 Million relating to the special dividend for the year ended March 31, 2015 on 80,000 shares		

Notes

forming part of the financial statements

NOTE NO. 13 FIXED ASSETS

Particulars	Gross block			Accumulated depreciation / amortisations				Net block		
	As at April 1, 2015	Pursuant to Additions	Disposals	As at April 1, 2015	Pursuant to Amalgamation (Refer Note 41(ii))	Depreciation / amortisation expense for the year	Transition adjustment recorded against surplus balance in Statement of Profit and Loss (Refer note (viii) below)	Eliminated on disposal of assets	As at March 31, 2016	As at March 31, 2015
Tangible assets:										
Land:										
- Freehold	886.39	98.36	2.22	-	-	-	-	-	986.97	886.39
	(886.39)	-	-	(886.39)	-	-	-	-	(886.39)	(886.39)
- Leasehold	48.13	29.15	6.21	0.27	2.54	0.29	-	0.01	80.40	48.13
	(48.13)	-	-	(48.13)	-	-	-	-	(48.13)	(48.13)
Buildings	1,391.47	1,314.91	355.26	46.99	282.92	132.17	-	6.44	2,305.66	1,091.13
	(1,349.19)	-	(42.28)	(1,391.47)	-	(61.74)	-	-	(1,091.13)	(1,110.59)
Plant and equipments	2,623.86	5,811.41	673.67	287.52	2,887.97	580.91	12.34	164.55	4,031.74	1,150.85
	(2,177.80)	-	(474.63)	(287.52)	-	(213.26)	(33.71)	(24.47)	(1,150.85)	(927.29)
Furniture and fixtures	114.54	64.05	12.34	1.31	37.76	18.45	-	0.92	86.68	66.89
	(103.04)	-	(114.54)	(0.04)	(34.48)	(12.15)	(1.06)	(0.04)	(66.89)	(68.56)
Vehicles	38.16	44.59	23.26	49.01	22.69	10.13	-	31.33	36.69	19.34
	(33.74)	-	(4.42)	(38.16)	(16.05)	(2.77)	-	-	(19.34)	(17.69)
Office equipments	119.29	307.03	200.83	12.57	181.36	75.68	-	10.58	289.13	40.30
	(86.13)	-	(35.40)	(2.24)	(56.14)	(16.12)	(8.85)	(2.12)	(40.30)	(29.99)
Total [A]	5,221.84	7,669.50	1,273.79	397.67	3,415.24	817.63	12.34	213.83	7,817.27	3,303.03
Previous year	(4,684.42)	-	(568.27)	(30.85)	-	(306.04)	(43.62)	(26.63)	(3,303.03)	(3,088.64)
Intangible assets:										
- Registrations and brands										
- Internally generated:	146.60	-	37.19	-	67.88	40.05	-	-	75.86	78.72
	(51.69)	-	(94.91)	(146.60)	(39.85)	(28.03)	-	-	(78.72)	(11.84)
- Others:	1,205.18	5.82	1,523.81	4.76	731.37	152.99	-	4.08	1,844.88	473.81
	(1,205.18)	-	(1,205.18)	(615.74)	-	(115.63)	-	-	(473.81)	(589.44)
- Goodwill	-	-	753.20	-	-	-	-	-	753.20	-
- Software licenses	285.87	58.78	49.37	1.50	196.41	47.81	-	1.53	97.11	89.46
	(272.07)	-	(13.80)	(285.87)	(153.57)	(42.84)	-	-	(89.46)	(118.50)
Total [B]	1,637.65	64.60	2,363.57	6.26	995.66	240.85	-	5.61	2,771.05	641.99
Previous year	(1,528.94)	-	(1,087.71)	(809.16)	-	(186.50)	-	-	(641.99)	(719.78)
Grand total [A+B]	6,859.49	7,734.10	3,637.36	403.93	3,472.85	1,058.48	12.34	219.44	10,588.32	3,945.02
Previous year	(6,213.36)	-	(676.98)	(30.85)	(2,404.94)	(492.54)	(43.62)	(26.63)	(3,945.02)	(3,808.42)

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.

Notes

forming part of the financial statements

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

Particulars	₹ In Million			
	Gross block		Net block	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Vehicles	25.18	16.97	20.60	9.73
Total	25.18	16.97	20.60	9.73

(v) Details of capital commitment:

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Tangible assets	648.10	135.82
- Intangible assets	45.15	99.40
Total	693.25	235.22

(vi) Details of assets given under an operating lease:

Particulars	₹ In Million			
	Gross block		Net block	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Freehold Land	115.96	115.96	115.96	115.96
Buildings	710.23	789.17	621.60	695.88
Plant and equipments	-	49.55	-	31.76
Furniture and fixtures	-	38.82	-	18.73
Office equipments	-	0.79	-	0.06
Total	826.19	994.29	737.56	862.39

(vii) Details of assets taken an finance lease:

Particulars	₹ In Million			
	Gross block		Net block	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Office equipments	87.99	-	74.77	-
Total	87.99	-	74.77	-

(viii) During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 01, 2014, the Company had revised the estimated useful life with those specified in Schedule II. In accordance with the transition provision prescribed in Schedule II to the Companies Act, 2013, the Company had fully depreciated the carrying value of asset net of residual value, where the remaining useful life of the asset was determined to be nil as on April 01, 2014 and had 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 Reserve and Surplus.

In the current year, the Company has complied with the provision of componentisation of fixed assets prescribed by Schedule II of the Companies Act, 2013. In accordance with the transition provision prescribed in Schedule II to the Companies Act, 2013, the Company has debited a sum of ₹ 8.07 Million (net of deferred taxes of ₹ 4.27 Million) against the opening surplus balance in the statement of profit and loss under Reserve and Surplus.

(ix) Disposal of fixed assets and withdrawal of accumulated depreciation above includes Rs.198.33 Million and Rs. 34.39 Million respectively pertaining to the exchange fluctuations on long-term monetary items capitalised by erstwhile Shasun Pharmaceuticals Limited, which have been charged off to the Statement of Profit or Loss under exceptional items in order to align with the Company's accounting policy as explained in Note 41(i).

Notes

forming part of the financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 14 NON-CURRENT INVESTMENTS		
Investments: Trade		
Investments in equity shares of subsidiaries:		
- 12,361,081 (As at March 31, 2015: 12,361,081) shares of GBP 1 each fully paid up in Strides Arcolab International Limited, UK	966.12	966.12
- 438,000 (As at March 31, 2015: 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, 2015: 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, 2015: 208,326) shares of ₹ 10 each fully paid up in Stelis Biopharma Private Limited, India (formerly Inbiopro Solutions Private Limited)	906.55	906.55
- 3,206,665 (As at March 31, 2015: 3,206,665) shares of ₹ 10 each fully paid up in Strides Healthcare Private Limited, India (formerly Strides Actives Private Limited)	481.10	481.10
- 90,000 (As at March 31, 2015: 90,000) shares of ₹ 10 each fully paid up in Fagris Medica Private Limited, India (Refer note 41 (v))	9.20	9.20
- 522,490 (As at March 31, 2015: Nil) shares of ₹ 10 each fully paid up in Strides Biologix Private Limited, India (Refer note 41 (iv))	52.30	-
- 15,000 (As at March 31, 2015: Nil) shares of USD 1 each fully paid up in Shasun USA Inc., USA (Refer note 41(i))	0.54	-
- 3,362,745 (As at March 31, 2015: Nil) shares of ₹ 10 each fully paid up in Chemsynth Laboratories Private Limited, India (Refer note 41(i))	33.63	-
- 12,778,945 (As at March 31, 2015: Nil) shares of CHF 1 each fully paid up in SVADS Holdings SA, Switzerland (Refer note 41(i))	466.59	-
Investments in preference shares of subsidiaries:		
- 78,665 (As at March 31, 2015: 10,966) preference shares of SGD 1,000 each fully paid up in Strides Pharma Asia Pte Limited, Singapore	3,593.49	506.47
Share application money paid for investment in subsidiary:		
- Strides Arcolab International Limited, UK	1,578.34	-
- Strides Pharma Asia Pte Limited, Singapore	3,966.48	1,152.44
Investments in equity shares of joint ventures:		
- 1,312,500 (As at March 31, 2015: Nil) shares of USD 1 each fully paid up in Shasun NBI LLC, USA (Refer note 41(i))	63.88	-
Investments in equity shares of other entities:		
- 862,000 (As at March 31, 2015: Nil) shares of ₹ 10 each fully paid up in Clarion Wind Farm Private Limited, India (Refer note 41(i))	8.85	-
- 111,368 (As at March 31, 2015: Nil) shares of ₹ 10 each fully paid up in Beta Wind Farm Private Limited, India (Refer note 41(i))	3.34	-
- 45,000 (As at March 31, 2015: Nil) shares of ₹ 10 each fully paid up in Tulysan Lec Limited, India (Refer note 41(i))	1.35	-
- 4,242 (As at March 31, 2015: Nil) shares of ₹ 100 each fully paid up in SIPCOT Industrial Common Utilities Limited, India (Refer note 41(i))	0.42	-
Investments in preference shares of other entities:		
- 1,609,070 (As at March, 2015: Nil) preference shares of USD 0.001 each fully paid up in Aponia Laboratories Inc, USA (Refer note 41(i))	221.07	-
Total	12,403.06	4,071.69
Less: Provision for diminution in value of investments in joint ventures - Shasun NBI LLC, USA	(63.88)	-
Total	12,339.18	4,071.69
Aggregate amount of unquoted investments	12,339.18	4,071.69

Notes

forming part of the financial statements

	March 31, 2016	₹ In Million March 31, 2015
NOTE NO. 15 LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good:		
Capital advances	163.21	72.33
Security deposits	217.09	58.80
Loans and advances to:		
- Related parties (Refer note 47)	66.61	42.69
- Other than related parties	180.35	-
- Employees	10.62	-
Loans and advances to suppliers:		
- Unsecured, considered good	-	-
- Doubtful	-	11.09
- Less: Provision for doubtful advance to suppliers	-	(11.09)
	-	-
Prepaid expenses	123.39	-
Advance income tax (net of provision of ₹ 13,416.08 Million (Previous year ₹ 11,839.56 Million))	348.27	288.79
MAT credit entitlement	628.47	-
Balance with government authorities:		
- CENVAT / VAT/ Sales tax / Excise duty	1.36	1.36
- Taxes paid under protest	556.74	462.02
Others:		
- Receivable from KIADB	6.44	6.44
Total	2,302.55	932.43

Long-term loans and advances include amounts due from:

	March 31, 2016	₹ In Million March 31, 2015
Particulars		
Firms in which any director is a partner		
- Atma Projects (security deposit given)	50.13	6.29
Total	50.13	6.29

	March 31, 2016	₹ In Million March 31, 2015
NOTE NO. 16 OTHER NON-CURRENT ASSETS		
Lease equalisation asset	18.95	12.65
Total	18.95	12.65

	March 31, 2016	₹ In Million March 31, 2015
NOTE NO. 17 CURRENT INVESTMENTS		
Investment in mutual funds:		
- Reliance Liquid Fund - Treasury Plan - Daily dividend option (Units 2,180,630.230 (Previous Year 487,513.147))	3,333.62	745.28
- Reliance Floating Rate Fund - Short Term Plan - Growth Plan (Units 12,382,228.616 (Previous Year 20,332,228.616))	243.60	400.00
- Reliance Floating Rate Fund - Short Term Plan - Direct Monthly Dividend Plan (Units 93,906,412.869 (Previous Year Nil))	1,000.00	-
- Reliance Banking & PSU Debt Fund - Direct Monthly Dividend Plan (Units 146,815,570.281 (Previous Year Nil))	1,500.00	-
- Reliance Fixed Horizon Fund - XXV - Series 17 - Direct Plan Growth Plan (Units Nil (Previous Year 75,000,000))	-	750.00
- Reliance Fixed Horizon Fund - XXVI - Series 33 - Direct Plan Growth Plan (Units Nil (Previous Year 15,000,000))	-	150.00
- Reliance Fixed Horizon Fund - XXVI - Series 5 - Direct Plan Growth Plan (Units Nil (Previous Year 30,000,000))	-	300.00
- Tata Liquid Fund Direct Plan - Daily dividend (Units 43.032 (Previous Year 40.785))	0.05	0.05

Notes

forming part of the financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 17 CURRENT INVESTMENTS		
- Tata Fixed Maturity Plan Series 46 Scheme K - Direct Plan - Growth (Units Nil (Previous Year 25,000,000))	-	250.00
- Tata Fixed Maturity Plan Series 47 Scheme D - Direct Plan - Growth (Units Nil (Previous Year 15,000,000))	-	150.00
- IDFC Cash Fund - Daily Dividend - Direct Plan (Units Nil (Previous Year 104,370.342))	-	104.43
- IDFC Fixed Term Plan Series 88 Direct Plan -Growth (372 Days) (Units Nil (Previous Year 20,000,000))	-	200.00
- L&T Fixed Maturity Plan Series 10 - Plan S - Direct Growth (Units Nil (Previous Year 50,000,000))	-	500.00
- Religare Invesco Fixed Maturity Plan- Sr. 23 - Plan G (376 Days) - Direct Plan Growth (Units Nil (Previous Year 10,000,000))	-	100.00
- SBI Premier Liquid Fund - Direct Plan - Daily dividend option (Units Nil (Previous Year 290,602.913))	-	291.55
- ICICI Prudential Liquid - Direct Plan - Daily Dividend (Units 27,486,846.869 (Previous Year 6,711,986.703))	2,750.57	671.58
- ICICI Prudential Fixed Maturity Plan series 73 - 378 Days Plan O Direct Plan Cumulative (Units Nil (Previous Year 50,000,000))	-	500.00
- ICICI Prudential Ultra Short Term - Direct Plan - Daily Dividend (Units 99,109,760.030 (Previous Year Nil))	1,001.64	-
- ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Daily Dividend (Units 145,288,300.421 (Previous Year Nil))	1,500.00	-
- HDFC Fixed Maturity Plan 378 Days Mar 2014-1-Direct-Growth (Units Nil (Previous Year 25,000,000))	-	250.00
- Birla Sun Life Fixed Term Plan-Series KW-Gr. Direct - Reinvestment (Units Nil (Previous Year 25,000,000))	-	250.00
Total	11,329.48	5,612.89
Aggregate amount of un-quoted investments	11,329.48	5,612.89
Aggregate net asset value of investment in mutual funds	11,390.99	5,995.17
Current investments offered as security (Refer note (i))	4,024.96	4,015.00
Current investments in the nature of `Cash and cash equivalents' considered as part of cash and cash equivalents in the Cash Flow Statement	7,304.52	1,597.89
Note (i): Details of security offered to:		
- Short-term borrowing availed by the Company (Refer note 9(i))	243.60	415.00
- Short-term borrowing availed by a wholly owned subsidiary of the Company (Refer note 47)	3,781.36	3,600.00

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 18 INVENTORIES		
Raw materials	2,054.61	987.48
- Goods-in-transit	287.78	123.84
Work-in-progress (Refer note (i) below)	814.11	120.58
Finished goods (other than those acquired for trading)	407.56	212.71
Stock-in-trade (acquired for trading)	142.65	89.75
Stores and spares	85.63	19.68
Total	3,792.34	1,554.04

Note:

(i) Details of work-in-progress

	₹ In Million	
	March 31, 2016	March 31, 2015
Particulars		
Active Pharmaceutical Ingredient	555.03	-
Tablets	226.72	75.52
Capsules	30.26	42.24
Others	2.10	2.82
Total	814.11	120.58

Notes

forming part of the financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
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	107.03	100.78
- Doubtful	95.88	53.31
	202.91	154.09
Less: Provision for doubtful trade receivables	(95.88)	(53.31)
	107.03	100.78
Others		
- Unsecured considered good	6,915.92	2,459.36
- Doubtful	-	16.90
	6,915.92	2,476.26
Less: Provision for doubtful trade receivables	-	(16.90)
	6,915.92	2,459.36
Total	7,022.95	2,560.14

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 20 CASH AND CASH EQUIVALENTS		
Cash on hand	2.67	1.82
Balance with banks:		
- In current account	533.49	303.37
- In Escrow account	2.00	-
- In deposit account	332.24	344.13
- Funds-in-transit	2.85	10.97
- In earmarked account		
- Unpaid dividend accounts	68.52	67.55
- Group gratuity accounts	0.31	3.11
- Balance held as margin money against working capital facilities with banks	1.36	12.00
Total	943.44	742.95
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 'Cash Flow Statements' is	873.25	660.29

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 21 SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Loans and advances to:		
- Related parties (Refer note 47)	1,373.83	416.17
- Other than related parties	15.95	-
- Employees	51.09	8.99
- Suppliers	453.91	140.30
Advance Tax (net of provision of ₹ 330.08 Million (Previous year Nil))	28.47	-
Prepaid expenses	179.27	101.30
Balances with government authorities:		
- GENVAT credit receivable	193.42	35.92
- VAT credit receivable	244.05	77.70
- Service tax credit receivable	158.58	135.06
- Income tax refund receivables	13.08	-
- Incentives receivables	549.91	105.79
Unsecured, considered doubtful		
Loans and advances to suppliers:		
- Doubtful	3.42	-
- Less: Provision for doubtful advance to suppliers	(3.42)	-
	-	-
Total	3,261.56	1,021.23

Notes

forming part of the financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 22 OTHER CURRENT ASSETS		
Unbilled revenue (net) (Refer note (i) below)	10.01	8.42
Interest accrued on deposits	2.21	0.76
Interest accrued on loans given to related parties	63.25	-
MTM receivable on derivatives	139.72	90.40
Others:		
- Dividends receivable	-	562.46
- Insurance claim	24.16	-
- Gratuity claim receivables	0.94	0.44
Total	240.29	662.48

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 Million	
	March 31, 2016	March 31, 2015
NOTE NO. 23 REVENUE FROM OPERATIONS		
Sale of products (Refer note (i) below)	20,945.90	8,504.38
Sale of services (Refer note (ii) below)	431.82	151.66
Other operating revenues (Refer note (iii) below)	1,235.11	675.00
Total	22,612.83	9,331.04
Less: Excise duty	577.92	36.86
Total	22,034.91	9,294.18

Note:

- (i) Sale of product comprises:

	₹ In Million	
	March 31, 2016	March 31, 2015
Particulars		
Manufactured goods:		
- Tablets	10,096.71	5,504.12
- Active Pharmaceutical Ingredient	6,896.13	-
- Capsules	1,957.00	1,465.90
- Sachets	320.55	573.38
- Others	278.32	25.90
Total manufactured goods sold	19,548.71	7,569.30
Traded goods:		
- Tablets	768.17	408.63
- Capsules	122.09	100.38
- Syrups	61.05	103.05
- Branded Injectable	237.33	243.30
- Active Pharmaceutical Ingredient	109.90	-
- Others	98.65	79.72
Total traded goods sold	1,397.19	935.08
Total sale of products (including excise duty)	20,945.90	8,504.38

Notes

forming part of the financial statements

(ii) Sale of services comprises:

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Development income	427.13	134.98
Licensing income	4.69	7.66
Site transfer income	-	1.72
Job-work income	-	7.30
Total service income	431.82	151.66

(iii) Other operating revenue comprises:

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Export incentives	574.12	153.82
Royalty income	632.48	506.55
Support service income	28.51	14.63
Total other operating revenue (including excise duty)	1,235.11	675.00

NOTE NO. 24 OTHER INCOME	₹ In Million	
	March 31, 2016	March 31, 2015
Interest income (Refer note (i) below)		74.95
Dividend income from current investment	59.47	72.00
Gain on sale of mutual fund	370.96	-
Rental income from operating leases	369.46	-
Exchange fluctuation gain	73.12	140.09
Other non-operating income	-	40.00
- Liabilities / provisions no longer required written back	46.58	17.11
- Guarantee commission	437.55	633.46
- Profit on sale of fixed assets (net)	0.98	-
- Recovery on claims	42.68	-
- Reimbursement of expenses	-	14.09
- Others	8.81	10.06
Total	1,409.61	1,001.76

Note:

(i) Interest income comprises:

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Interest from banks on deposits	30.38	67.08
Interest on loans and advances	19.39	6.96
Interest from others (includes interest received on income tax refund ₹ 7.95 Million (previous year ₹ Nil))	9.70	0.91
Total	59.47	74.95

NOTE NO. 25 COST OF MATERIALS CONSUMED	₹ In Million	
	March 31, 2016	March 31, 2015
Opening stock	1,131.00	1,013.78
Add: Pursuant to the scheme of amalgamation (Refer Note 41(i))	1,052.92	-
Add: Purchases	11,838.36	4,850.06
Less: Closing stock	2,428.02	1,131.00
Cost of materials consumed	11,594.26	4,732.84

Notes

forming part of the financial statements

Note:

Cost of materials consumed comprises:

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Active pharmaceutical ingredients and other raw materials	10,667.03	4,216.76
Primary packing materials	601.66	291.03
Secondary packing materials	325.57	225.05
Total	11,594.26	4,732.84

NOTE NO. 26 PURCHASE OF STOCK-IN-TRADE	₹ In Million	
	March 31, 2016	March 31, 2015
Traded goods	908.15	498.31
Total	908.15	498.31
Traded goods comprises		
- Tablets	494.41	202.23
- Capsules	69.46	51.67
- Branded Injectables	93.64	95.89
- Active Pharmaceutical Ingredient	109.31	-
- Others	141.33	148.52
Total	908.15	498.31

NOTE NO. 27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	₹ In Million	
	March 31, 2016	March 31, 2015
Inventories at the end of the year:		
- Finished goods	407.56	212.71
- Work-in-progress	814.11	120.58
- Stock-in-trade	142.65	89.75
	1,364.32	423.04
Add: Pursuant to the scheme of amalgamation (Refer Note 41(i))		
- Finished goods	335.04	-
- Work-in-progress	651.04	-
	986.08	-
Inventories at the beginning 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
Net (increase) / decrease	44.80	(68.80)

Notes

forming part of the financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 28 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	2,339.98	1,004.43
Contributions to provident and other funds (Refer note 45)	172.18	100.64
Expenses on Employee Stock Option Plans (Refer note 44)	11.73	8.96
Staff welfare expenses	225.84	87.94
Total	2,749.73	1,201.97

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 29 OTHER EXPENSES		
Subcontracting	176.40	53.12
Power and fuel	742.81	126.75
Water	4.17	3.25
Rent including lease rentals (Refer note 48)	103.84	59.75
Repairs and maintenance:		
- Buildings	36.32	10.58
- Machinery	336.72	109.36
- Others	101.52	16.63
Insurance	85.73	13.98
Rates and taxes	75.16	59.69
Communication	65.07	31.52
Travelling and conveyance	262.04	131.59
Printing and stationery	32.67	10.54
Freight and forwarding	419.21	258.07
Sales commission	196.74	50.32
Discount and claims	15.26	-
Business promotion	152.01	117.30
Royalty expenses	21.00	10.48
Donations and contributions	15.62	1.23
Expenditure on corporate social responsibility (Refer note (i) below)	42.38	19.41
Legal and professional fees	398.54	227.53
Payments to auditors (Refer note (ii) below)	24.67	16.49
Bad debts written off / provision for doubtful trade and other receivables	26.18	-
Unbilled revenue written off	-	9.38
Loss on sale of fixed assets (net)	-	0.47
Consumables	372.11	142.40
Biostudy expenses	75.40	48.84
Net loss on foreign currency transactions	19.04	-
Miscellaneous expenses	116.76	61.98
Total	3,917.37	1,590.66

Note:

(i) Expenditure on Corporate Social Responsibility:

	₹ In Million	
Particulars	March 31, 2016	March 31, 2015
(a) Gross amount required to be spent during the year	18.97	18.74
(b) Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	42.38	19.41
Total	42.38	19.41

Notes

forming part of the financial statements

(ii) Payments to the auditors comprises (net of service tax input credit) for:

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
- Audit of standalone and consolidated financial statements	10.80	7.00
- Limited reviews	3.50	2.00
- Other services	5.70	4.70
- Taxation matters	4.17	2.61
- Reimbursement of expenses	0.50	0.18
Total	24.67	16.49

NOTE NO. 30 FINANCE COSTS	₹ In Million	
	March 31, 2016	March 31, 2015
Interest expense on:		
- Borrowings	807.68	208.06
- Delayed payment of income tax	2.96	16.89
Bank charges and commission	216.48	119.28
Total	1,027.12	344.23

NOTE NO. 31 EXCEPTIONAL ITEMS	₹ In Million	
	March 31, 2016	March 31, 2015
Exchange loss net (Refer note (i) below)	(163.54)	(46.28)
Dividend income from non-current investment in wholly-owned subsidiaries	-	4,537.22
Net gain on sale of long-term investments (Refer note 40)	126.21	852.68
Merger and restructuring costs	(50.31)	(109.40)
Claims on discontinued products	-	(39.08)
Reversal of provision towards impairment of certain fixed assets	4.05	-
Write-off of intangible assets under development and others	-	(9.00)
Impact of aligning the accounting policies on merger (Refer note 41(i))	(168.16)	-
Total (net)	(251.75)	5,186.14

Note:

(i) Exchange gain / (loss) net comprises:

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Exchange loss on restatement of long-term foreign currency loans	(194.68)	(96.97)
Exchange loss on share application money to the extent considered as monetary items	-	11.77
Exchange gain on restatement of loans to subsidiaries	31.14	38.92
Total	(163.54)	(46.28)

NOTE NO. 32 TAX EXPENSE	₹ In Million	
	March 31, 2016	March 31, 2015
Current tax expense	327.12	1,425.72
Current tax expense relating to prior years reversed	(52.91)	(11.87)
Deferred tax (credit) / expense	335.05	(46.71)
Less: Minimum alternative tax credit availed	(327.12)	-
Net tax expense	282.14	1,367.14

Notes

forming part of the financial statements

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 33 DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS MATERIALS		
Imported	4,662.69	2,325.11
- Percentage to the total consumption	40%	49%
Indigenous	6,931.57	2,407.73
- Percentage to the total consumption	60%	51%
Total	11,594.26	4,732.84

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 34 VALUE OF IMPORTS CALCULATED ON CIF BASIS		
Raw materials	4,065.16	2,460.83
Capital goods	379.63	269.38
Other goods	119.82	78.29
Total	4,564.61	2,808.50

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 35 EXPENDITURE IN FOREIGN CURRENCY		
Travel expenses	5.58	0.41
Sales commission	128.53	21.81
Interest and bank charges	226.73	134.47
Legal and professional fees	180.75	75.86
Membership and subscription	12.35	16.46
Product registration and renewal charges	10.01	27.93
Freight outwards	47.56	-
Consumables	46.81	17.46
Salaries and wages	6.81	-
Claims on discontinued products	-	39.08
Biostudy expenses	23.32	9.91
Business promotion	11.43	0.16
Others	27.63	13.26
Total	727.51	356.81

	₹ In Million	
	March 31, 2016	March 31, 2015
NOTE NO. 36 DETAILS OF RESEARCH AND DEVELOPMENT EXPENDITURE INCURRED (CHARGED TO STATEMENT OF PROFIT AND LOSS)		
Salaries and wages	311.45	84.32
Materials	122.30	15.17
Legal and professional fees	69.35	94.03
Biostudy expenses	75.40	48.84
Consumables	111.91	41.36
Travelling and conveyance	18.93	6.09
Net gain on foreign currency transactions	(0.97)	(2.82)
Depreciation and amortisation expense	100.83	34.76
Write off of intangible assets under development	-	9.37
Others	99.80	29.49
Total	909.00	360.61

Note: The above includes revenue expenditure incurred in DSIR approved facilities of ₹ 659.21 Million. In addition, the Company has also incurred capital expenditure in such facilities of ₹ 112.37 Million which has been capitalised under respective heads in the financial statements, both of which have been considered by the Company for the purpose of weighted deduction under the provisions of Income Tax Act.

The amount quantified as research and development expenditure (both capital and revenue) is as certified by the management of the Company and relied upon by the auditors and includes cost associated with the development services undertaken for customers.

Notes

forming part of the financial statements

		₹ In Million	
		March 31, 2016	March 31, 2015
NOTE NO. 37 (A)	EXPENDITURE DEBITED TO STATEMENT OF PROFIT AND LOSS IS NET OF THE FOLLOWING EXPENSE CROSS CHARGED BY THE COMPANY TO ITS SUBSIDIARIES		
	Employee benefits expense	1.76	3.55
	Other expenses	17.21	-
	Total	18.97	3.55

		₹ In Million	
		March 31, 2016	March 31, 2015
NOTE NO. 37 (B)	EXPENSES CAPITALISED TO FIXED ASSETS DURING THE YEAR		
	Finance costs	20.35	2.04
	Employee benefits expense	80.63	23.25
	Other expenses	23.65	-
	Total	124.63	25.29

		₹ In Million	
		March 31, 2016	March 31, 2015
NOTE NO. 38	EARNINGS IN FOREIGN CURRENCY		
	FOB value of export of goods	15,192.34	7,204.29
	Development income	401.98	134.98
	Licensing income	4.69	7.66
	Site-transfer income	-	1.72
	Support service income	13.67	14.63
	Royalty income	548.35	506.55
	Dividend income from non-current investment in wholly-owned subsidiaries	-	4,537.22
	Guarantee commission	429.53	622.67
	Interest income	10.04	-
	Other income	11.27	0.90
	Total	16,611.87	13,030.62

Notes

forming part of the financial statements

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 AND RELATED MATTERS:

A. Notification of claims received from Mylan under Share Purchase Agreements entered with Mylan in earlier years

The Company and its subsidiary Strides Pharma Asia Pte Limited (“Strides Singapore”) entered into definitive agreements in February 27, 2013 with Mylan Inc. for sale of the Specialty products business. The transactions under the respective agreements was by way of (i) sale of investment held in Agila Specialties Private Limited (“ASPL”), an erstwhile wholly owned subsidiary of the Company), to Mylan Laboratories Limited (“MLL”), a Mylan group company and (ii) the sale of investment held in Agila Specialties Global Pte Ltd (“Agila Global”, an erstwhile subsidiary of Strides Singapore, a subsidiary of the Company) to Mylan Institutional Inc., another Mylan group company. MLL and Mylan Institutional Inc together are referred to below as Mylan.

The sale of ASPL was recorded by the Company in terms of the Share purchase agreement dated December 4, 2013 (the “India SPA”). The sale of Agila Global was recorded by Strides Singapore in terms of the Share purchase agreement dated December 4, 2013 (the “Global SPA”).

The Company has provided a corporate guarantee to Mylan Inc. for USD 200.00 Million (valid up to December 4, 2020) on behalf of Strides Singapore which can be used for discharging specified financial obligations, if any, of Strides Singapore to Mylan (disclosed under Contingent liabilities and commitments in Note 43).

The India SPA required Rs. 850 Million and USD 60 Million to be set aside by MLL in separate Escrow accounts (jointly controlled by both MLL and the Company), for payment to specified senior

management personnel of ASPL and its subsidiary and for incurring certain regulatory expenses pertaining to ASPL, respectively. In terms of the India SPA, the unutilised amounts in the Escrow accounts, if any, would be payable to the Company.

The Global SPA required USD 100 Million and USD 40 Million be set aside by MLL in two separate Escrow accounts (jointly controlled by both MLL and the Company) towards tax contingencies and regulatory expenses respectively.

Given the uncertainties involved and in the absence of a right to receive, the amounts under the escrow arrangements were not included in the consideration accounted as income by the Company at the time of disposal of the investments.

During the year ended March 31, 2016, the Company has received Rs. 129.50 Million out of the escrow amount set aside under the India SPA for payment to senior management personnel of ASPL. This has been recognised as an exceptional item under Profit on sale of investments after adjusting related expenses of Rs. 3.29 Million.

Under the terms of the India SPA and the Global SPA (together the “SPA”s), claims against the Company / Strides Singapore can only be made under specific provisions contained in the SPAs which include the procedures and timelines for submission of notifications of claims and actual claims and commencing arbitration proceedings.

During the current year, the Company has received notifications of claims from Mylan under the terms of the SPAs. These include third party claims, tax claims, claims against the regulatory escrows and general claims. A significant portion of these are estimates of potential claims / losses that Mylan expects to incur and involve significant uncertainties. The Company has formally responded to Mylan disputing the claims and also sought further details / clarifications on each of the items mentioned in the notifications of claims.

Given the nature of the claims involved and the extent of information made available by Mylan so far, the Company is not able to make a reliable estimate of its obligations, if any, with regard to these claims.

Considering the terms of the SPAs and the amounts in the respective escrows, the Company believes that any further outflow of resources is not probable.

B. Sale of investment in Strides Pharmaceuticals

Notes

forming part of the financial statements

(Holdings) Limited, Cyprus

During the previous year ended March 31, 2015, 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 Rs. 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 (Rs. 3,920.99 Million). Profit arising on such sale of investment amounting to Rs. 964.01 Million has been recognised in the Statement of Profit and Loss under Exceptional Items..

C. Sale of investment by erstwhile Shasun Pharmaceuticals Limited in the previous year

In the previous year, erstwhile Shasun Pharmaceuticals Limited (which merged with the Company as explained in note 41 below) had disposed-off its investment in Alivira Animal Health Limited ('an associate') having carrying value of Rs. 630 Million to M/s Sequent Scientific Limited ('Sequent') for a consideration of Rs. 750 Million, of which a sum of Rs. 650 Million was receivable as at March 31, 2015. In the current year, such amount has been received from Sequent.

NOTE NO. 41 MERGERS AND ACQUISITION OF BUSINESS / INVESTMENTS MADE DURING THE YEAR:

- (i) In accordance with the terms of the Scheme of Amalgamation (the 'Scheme') between the Shasun Pharmaceuticals Limited (Transferor Company) and the Company (Transferee Company), the Transferor Company has been merged with the Company. The Scheme has been approved by

the Honorable High Court of Judicature with an appointed date of April 01, 2015 and the effective date of November 19, 2015 (the 'Effective Date'), being the date on which all the requirements under the Companies Act, 2013 and as per the Scheme have been completed. The merger has been accounted under the pooling of interest method referred to in Accounting Standard 14 "Accounting for Amalgamation" and the assets and liabilities transferred have been recorded at their book values.

Pursuant to the Scheme, the Company has allotted 21,017,329 equity shares to shareholders of erstwhile Shasun in the ratio of 5 equity shares of ₹ 10/- each of the Company for every 16 shares of ₹ 2/- each held by shareholders of erstwhile Shasun as at November 19, 2015, being the record date for issue of equity shares by the Company. These share have been considered for the purpose of calculation of earnings per share appropriately. An amount of ₹ 75.66 Million being the excess of the share capital issued by the Company over the share capital of the erstwhile Shasun has been debited to Reserves.

In accordance with the Scheme, the authorised share capital of the Transferor Company, as on the effective date is added to the authorised share capital of the Company and the preference share capital of the Company is reclassified into the equity share capital. Accordingly, the authorized share capital of the Company stands increased to 176.75 Million equity shares of ₹ 10 each, totaling to ₹ 1,767.50 Million.

Details of assets and liabilities acquired on the merger and treatment of the difference between consideration and the net assets acquired are as follows:

	₹ in Million	
Particulars		
Book value of assets and liabilities acquired as at appointed date of the Scheme:		
Fixed assets		
- Tangible assets (net of accumulated depreciation Rs. 3,415.24 Million)	4,254.26	
- Intangible assets (net of accumulated amortisation Rs. 57.61 Million)	6.99	
Capital work-in-progress	512.38	
Intangible assets under development	147.20	
Non-current investments	624.99	
Long-term loans and advances	639.26	
Inventories	2,115.04	
Trade receivables (net of provisions Rs. 17.33 Million)	2,963.41	
Cash & cash equivalents (of which Rs. 19.34 Million qualify as Cash and Cash equivalent under Accounting Standard 3 "Cash Flow Statements")	22.81	
Short-term loans and advances	1,791.27	
Other current assets	109.29	
Total assets (A)		13,186.90

Notes

forming part of the financial statements

Reserves and surplus	3,823.54	
Money received against share warrants	195.25	
Long-term borrowings	1,638.22	
Deferred tax liability	23.06	
Other non-current liabilities	28.40	
Long-term provisions	35.07	
Short-term borrowings	3,571.43	
Trade payables	2,637.33	
Other current liabilities	1,056.33	
Short-term provisions	58.02	
Total liabilities and Reserves (B)		13,066.65
(A) – (B)		120.25
Add: Shares issued by Shasun after appointed date but prior to the effective date of merger (Refer note 4(iv))		14.26
Excess of assets over liabilities – Net (C)		134.51
Less: Face value of equity shares of the Company issued to the shareholders of the Transferor Company (D)		210.17
Excess of the share capital issued by the Company over the share capital of the Transferor Company, has been debited to capital reserves (C) – (D)		(75.66)

The Transferor Company had adopted the provisions of para 46 / 46A of AS 11 “The Effects of Changes in Foreign Exchange Rates”. Accordingly, the exchange fluctuations on all long term monetary items so far as they related to the acquisition of a depreciable capital asset, were added to or deducted from the cost of the asset and were depreciated over the balance life of such assets. In cases other than those falling under above, exchange fluctuations were accumulated in ‘Foreign Currency Monetary Item Translation Difference Account’ (FCMITDA), grouped under Reserves and Surplus, and amortised over the balance period of long-term monetary asset/liability but not beyond March 31, 2020. In order to align with the Company’s policy, the carrying value of such exchange differences included in the fixed assets amounting ₹ 163.94 Million and the accumulated balance in the FCMITDA ₹ 4.22 Million in the books of the Transferor Company as at the appointed date of the Scheme of merger have been charged-off to the Statement of Profit and Loss under exceptional items.

On completion of the merger of the Transferor Company with the Company, the following entities of the erstwhile Shasun became part of Company:

Aponia Laboratories Inc., USA
 Chemsynth Laboratories Private. Limited, India
 Clarion Wind Farm Private Limited, India
 Beta Wind Farm Private Limited, India
 Shasun NBI LLC, USA
 Shasun Pharma Solutions Inc., USA
 Shasun Pharma Solutions Limited, UK
 Shasun USA Inc., USA
 Stabilis Pharma Inc., USA
 SIPCOT Industrial Common Utilities Limited, India
 SVADS Holdings SA, Switzerland
 Tulysan Lec Limited, India

In accordance with the terms of the Scheme, the Company was required to issue stock options in the Company to the employees holding options issued by the Transferor Company aggregating to 156,400 as at the effective date of the Scheme in the ratio of 5 options in the Company for every 16 options held in erstwhile Shasun. The terms and conditions applicable to new options in the Company shall be no less favourable than those provided under erstwhile Shasun ESOP scheme. However, as at March 31, 2016, pending certain regulatory approvals, such options are not yet issued by the Company. Options reserved for issue in respect of the above at the balance sheet date are 48,875 options.

With effect from November 18, 2015, the name of the Company has been changed from Strides Arcolab Limited to Strides Shasun Limited.

In view of the merger of Shasun with the Company, the current year figures are not comparable with the previous year figures.

(ii) During the current year, the Company has acquired the following business / assets:

(a) The Company acquired the ‘Solus’ and ‘Solus Care’ division operating in the central nervous system (CNS) segment in India from Sun Pharmaceuticals Industries Limited for a total consideration of Rs. 1,653.30 Million including duties and taxes in connection with the acquisition. The arrangement involved transfer of the above mentioned two marketing divisions, along with their employees to the Company. Allocation of the consideration over the acquired assets is given below:

Notes

forming part of the financial statements

Particulars	₹ In Million
Registration and brands (Intellectual Property Rights (IPs))	900.10
Goodwill	753.20
Total	1,653.30

- (b) Acquired seven brands from Johnson and Johnson Group for a total consideration of Rs. 619.32 Million including duties and taxes in connection with the acquisition.
- (iii) In the current year, the Company has invested ₹ 52.30 Million in Strides Biologix Private Limited, India, for 51% equity shares in SPV, to acquire the India Branded Generics Business of Medispan Limited which is engaged in sales and marketing of branded pharmaceuticals products in certain niche therapeutic segments.
- (iv) During the year ended March 31, 2015, the Company had acquired 90% equity in Fagris Medica Private Limited, India (the "Fagris"), for total purchase consideration of ₹ 9.20 Million. As at March 31, 2016, an amount of ₹ 1.70 Million (Previous year ₹ 1.70 Million) is payable towards the above.
- (v) During the year ended March 31, 2015, the Company had invested ₹ 481.06 Million in Strides Healthcare Private Limited, India (formerly Strides Actives Private Limited, referred to as "SPV"), for 74% equity shares in SPV, to acquire the India Branded Generics Business of Bafna Pharmaceuticals Limited which is engaged in sales and marketing of branded pharmaceuticals products in certain niche therapeutic segments.

NOTE NO. 42

During the current year, the Company has raised ₹ 11,026.62 Million on issue of 8,628,028 equity shares of ₹ 10 each at a premium of ₹ 1,268 per equity share to Qualified Institutional Buyers in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009. The Company has completed the allotment of equity shares on December 23, 2015 and expenses incurred in relation to the Qualified Institutional Placement to the extent of ₹ 148.59 Million has been debited to Securities Premium Account.

NOTE NO. 43 CONTINGENT LIABILITIES AND COMMITMENTS

- (a) The Company has given corporate guarantees upto ₹ 52,205.97 Million (As at March 31, 2015: ₹ 37,174.85 Million) to financial institutions and other parties, including on behalf of its subsidiaries. As at March 31, 2016, the subsidiaries have availed facilities from such financial institutions / were obligated to the parties referred above for an aggregate

amount of ₹ 19,420.30 Million (As at March 31, 2015: ₹ 4,595.53 Million).

- (b) The Company has disputed income tax liabilities arising from assessment proceedings relating to earlier years amounting to ₹ 1,368.18 Million (Previous year ₹ 1,278.27 Million). The final outcome on account of disputed taxes is dependent on completion of assessments.
- (c) The Company had disputed Excise, custom and sales tax liabilities arising from assessment proceedings relating to prior years amounting to ₹ 129.04 Million (Previous year ₹ 5.65 Million). The final outcome on account of disputed liabilities is dependent on completion of assessments.
- (d) Refer Note 40 A for other claims against the Company disputed by the Company.

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

Notes

forming part of the financial statements

covered under the Plan for 500,000 equity shares. The options allotted under ESOP 2008 Directors Plan 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. No options were granted under this plan during the current year.

(e) The ESOP titled "Strides Arcolab ESOP 2015" (ESOP 2015) was approved by the shareholders on November 6, 2015. 70,000 options are covered under the Plan for 70,000 equity shares. The options allotted under ESOP 2015 are convertible into equal number of equity shares. The vesting period of these options range over a period of five years. The options must be exercised within a period of

180 days from the date of vesting. No options were granted under this plan during the current year.

(f) SEBI had notified the Share Based Employee Benefits Regulations 2014, which replaced the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. It mandates that all listed companies having existing stock option schemes comply with the revised regulation in their entirety.

There were no outstanding options under the ESOP 2006, ESOP 2008, ESOP 2008 (Directors) and ESOP 2011 Schemes other than the 265,000 options due for vesting under the ESOP 2011 Scheme.

Considering the above, the Nomination and Remuneration Committee resolved that the existing ESOP Schemes, under which there are no outstanding options, be terminated. Further, the Committee resolved that it should not grant further stock options under the ESOP 2011 Scheme. However, the outstanding options under the ESOP 2011 shall continue to vest as per the offer letter granted to employees of the Company.

(g) Employee compensation costs of ₹ 11.73 Million (for the year ended March 31, 2015: ₹ 8.96 Million) relating to the above referred various Employee Stock Option Plans have been charged to the Statement of Profit and Loss.

Particulars	ESOP 2006	ESOP 2008	ESOP 2008 (D)	ESOP 2011	Total
Expenses during the year	-	-	-	11.73	11.73
Reversal due to lapse	-	-	-	-	-
Total	-	-	-	11.73	11.73

(h) Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2015-16		During the year 2014-15	
	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	-	-	-	-
- ESOP 2008	-	-	-	-
- ESOP 2008 (Director)	-	-	-	-
- ESOP 2011	350,000	456.67	400,000	322.30
- ESOP 2015	-	-	-	-
Granted during the year:				
- ESOP 2006	-	-	-	-
- ESOP 2008	-	-	-	-
- ESOP 2008 (Director)	-	-	-	-
- ESOP 2011	-	-	100,000	792.60

Notes

forming part of the financial statements

Particulars	During the year 2015-16		During the year 2014-15	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
- ESOP 2015	-	-	-	-
Exercised during the year:				
- ESOP 2006	-	-	-	-
- ESOP 2008	-	-	-	-
- ESOP 2008 (Director)	-	-	-	-
- ESOP 2011	85,000	322.30	50,000	322.30
- ESOP 2015	-	-	-	-
Lapsed during the year:				
- ESOP 2006	-	-	-	-
- ESOP 2008	-	-	-	-
- ESOP 2008 (Director)	-	-	-	-
- ESOP 2011	-	-	100,000	322.30
- ESOP 2015	-	-	-	-
Options outstanding at the end of the year:				
- ESOP 2006	-	-	-	-
- ESOP 2008	-	-	-	-
- ESOP 2008 (Director)	-	-	-	-
- ESOP 2011	265,000	499.77	350,000	456.67
- ESOP 2015	-	-	-	-
Options available for grant:				
- ESOP 2006	-	-	80,500	-
- ESOP 2008	-	-	169,950	-
- ESOP 2008 (Director)	-	-	190,000	-
- ESOP 2011	-	-	1,100,000	-
- ESOP 2015	70,000	-	-	-

Options available for grant from ESOP 2015 also includes 48,875 stock options which are to be issued to employees of erstwhile Shasun pursuant to the scheme of amalgamation, as explained in Note 41 (i).

- (i) **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 Million	
	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Strides Arcolab ESOP:		
Net Profit as per Statement of Profit and Loss	1,610.72	5,323.19
Add: stock based employee compensation (intrinsic value)	11.73	8.96
Less: stock based compensation expenses determined under fair value method for the grants issued	(34.42)	(25.49)
Net Profit (proforma)	1,588.03	5,306.66
	₹	₹
Basic earnings per share (as reported)	19.50	89.36
Basic earnings/ (loss) per share (proforma)	19.23	89.08
Diluted earnings per share (as reported)	19.38	88.99
Diluted earnings/ (loss) per share (proforma)	19.11	88.72

Notes

forming part of the financial statements

- (j) The fair values of the options have been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value in respect of options under ESOP 2011 as at the grant dates are as below:

Grant date	7-Feb-14	2-Feb-15
Risk Free Interest Rate	8.75%	7.65%
Expected Life	3 years	3 years
Expected Annual Volatility of Shares	38.64%	48.44%
Expected Dividend Yield	0.52%	0.21%

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 ₹ 119.45 Million (for the year ended March 31, 2015: ₹ 54.72 Million) for provident fund contributions and ₹ 4.95 Million (for the year ended March 31, 2015: ₹ 1.79 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 Million	
	March 31, 2016	March 31, 2015
I Components of employer expense		
1 Current service cost	38.09	14.38
2 Interest cost	23.99	10.03
3 Expected return on plan assets	(15.55)	(4.46)
4 Curtailment cost/ (credit)	-	-
5 Settlement cost/ (credit)	-	-
6 Past service Cost	-	-
7 Actuarial losses/ (gains)	6.20	25.97
8 Total expense recognised in the Statement of Profit & Loss	52.73	45.92
II Actual contribution and benefits payments		
1 Actual benefit payments	14.61	8.40
2 Actual contributions	62.44	27.83
III Net asset/ (liability) recognised in balance sheet		
1 Present value of defined benefit obligation (DBO)	360.51	146.09
2 Fair value of plan assets	240.01	74.14
3 Funded status [surplus/ (deficit)]	(120.50)	(71.95)
4 Unrecognized past service costs	-	-
5 Net asset/ (liability) to be recognised in balance sheet	(120.50)	(71.95)
Non-current portion	(90.40)	(71.95)
Current portion	(30.10)	-
IV Change in defined benefit obligations		
1 Present value of DBO at beginning of year	146.09	103.89
2 Pursuant to the Scheme of Amalgamation (Refer Note 41(i))	151.97	-
3 Current service cost	38.09	14.38
4 Interest cost	23.99	10.03
5 Curtailment cost/ (credit)	-	-
6 Settlement cost/ (credit)	-	-
7 Plan amendments	-	-
8 Acquisitions	7.93	-
9 Actuarial (gains)/ losses	7.05	26.19
10 Benefits paid	(14.61)	(8.40)
11 Present Value of DBO at the end of year	360.51	146.09

Notes

forming part of the financial statements

Sl. No.	Particulars	₹ In Million	
		March 31, 2016	March 31, 2015
V	Change in fair value of assets		
1	Plan assets at beginning of year	74.14	50.03
2	Pursuant to the Scheme of Amalgamation (Refer Note 41(i))	101.64	-
3	Expected return on plan assets	15.55	4.46
4	Actual Company contributions	62.44	27.83
5	Actuarial gains / (losses)	0.85	0.22
6	Benefits paid	(14.61)	(8.40)
7	Plan assets at the end of the year	240.01	74.14
8	Actual return on plan assets	16.40	4.68
VI	Assumptions		
1	Discount Rate	7.80%	7.90%
2	Expected Return on plan assets	7.80%	9.00%
3	Salary escalation	10.00%	10.00%
4	Attrition	20.00%	20.00%
5	Mortality tables	Indian Assured Lives Mortality (2006-08) (Ultimate Table)	

Note:

Actuarial valuation experience adjustment:

Particulars	₹ In Million				
	2015-16	2014-15	2013-14	2012	2011
Present value of DBO	360.51	146.09	103.89	96.87	63.89
Fair value of plan assets	240.01	74.14	50.03	19.17	22.07
Funded status deficit	(120.50)	(71.95)	(53.86)	(77.70)	(41.82)
Experience gain / (loss) adjustment on plan liabilities	14.13	12.47	(1.07)	10.95	(3.58)
Experience gain / (loss) adjustment on plan assets	0.85	0.22	0.23	(2.73)	5.77

Actuarial assumptions for long-term compensated absences

Sl. No.	Particulars	March 31, 2016	March 31, 2015
1	Discount Rate	7.80%	7.80%
2	Expected Return on plan assets	NA	NA
3	Salary escalation	10.00%	10.00%
4	Attrition	20.00%	20.00%

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, 2016 and 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.

Notes

forming part of the financial statements

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) (upto February 21, 2016)	
	Strides Arcolab International Limited, UK	
	Strides Biologix Private Limited, India (w.e.f November 18, 2015 to November 25, 2015)	
	Strides Pharma Asia Pte Limited, Singapore	
	Strides Pharma International Limited, Cyprus	
	Shasun USA Inc., USA (w.e.f November 19, 2015 Refer note 41(i))	
	SVADS Holdings SA, Switzerland (w.e.f November 19, 2015 Refer note 41(i))	
	INDIRECT HOLDING	
	Altima Innovations Inc., USA	
	Arrow Pharma Pty Limited, Australia (formerly Strides (Australia) IP Pty Limited) (w.e.f May 19, 2015)	
	Arrow Pharmaceuticals Pty Limited, Australia (formerly Strides (Australia) Pharma Pty Limited) (w.e.f May 19, 2015)	
	Pharmacy Alliance Investments Pty Limited., Australia (w.e.f December 24, 2015)	
	Shasun Pharma Solutions Inc., USA (w.e.f November 19, 2015 Refer note 41(i))	
	Shasun Pharma Solutions Limited, UK (w.e.f November 19, 2015 Refer note 41(i))	
	Stabilis Pharma Inc., USA (w.e.f November 19, 2015 Refer note 41(i))	
	Stelis Biopharma (Malaysia) SDN. BHD, Malaysia (upto February 21, 2016)	
	Strides Africa Limited, British Virgin Islands	
	Strides Arcolab (Australia) Pty Limited, Australia (w.e.f April 29, 2015)	
	Strides CIS Limited, Cyprus	
	Strides Emerging Markets Private Limited, India	
	Strides Pharma (Cyprus) Limited, Cyprus	
	Strides Pharma (SA) Pty Limited, South Africa	
	Strides Pharma (UK) Limited, UK (w.e.f July 29, 2015)	
	Strides Pharma Global Pte Limited, Singapore	
	Strides Pharma Inc., USA	
	Strides Pharma Limited, Cyprus	
	Strides Pharmaceuticals (Holdings) Limited, Cyprus (merged with Strides Pharma International Limited, Cyprus, w.e.f October 16, 2015)	
	Strides Shasun (UK) Limited, UK (formerly Co Pharma Limited, UK)	
	Strides Specialties (Holdings) Limited, Mauritius	
	Other Subsidiaries:	DIRECT HOLDING
		Chemsynth Laboratories Private. Limited, India (w.e.f November 19, 2015 Refer note 41(i))
Fagris Medica Private Limited, India		
Stelis Biopharma Private Limited, India (formerly Inbiopro Solutions Private Limited, India) (w.e.f. February 22, 2016)		
Strides Biologix Private Limited, India (w.e.f. November 26, 2015)		
Strides Healthcare Private Limited, India (formerly Strides Actives Private Limited)		
INDIRECT HOLDING		
African Pharmaceutical Development S.A, Cameroon		
Arrow Pharma (Private) Limited, Sri Lanka (formerly Lex Pharma Lanka (Private) Limited) (w.e.f November 23, 2015)		
Arrow Pharma Life Inc., Philippines (w.e.f March 9, 2016)		
Arrow Remedies Private Limited, India (formerly Lex. Pharma Private Limited) (w.e.f September 12, 2015)		
Arrow Pharma Pte. Limited, Singapore (formerly Strides Remedies Pte. Limited) (w.e.f August 11, 2015)		
Beltapharm, SpA, Italy		
Congo Pharma SPRL, Congo		
Pharmacy Alliance Group Holdings Pty Limited, Australia (w.e.f February 29, 2016)		
Societe De Repartition Pharmaceutique, Burkinofaso		
SPC Co. Limited, Sudan		
Stelis Biopharma (Malaysia) SDN. BHD, Malaysia (w.e.f. February 22, 2016)		
Strides Pharma Botswana (Proprietary) Limited, Botswana		
Strides Pharma Cameroon Limited, Cameroon		

Notes

forming part of the financial statements

	Strides Pharma Mozambique, SA
	Strides Pharma Namibia Pty Limited, Namibia
	Strides Vital Nigeria Limited, Nigeria
	Alliance Pharmacy Pty Limited, Australia (w.e.f February 29, 2016)
	Pharmacy Alliance Pty Limited, Australia (w.e.f February 29, 2016)
Joint venture:	Akorn Strides LLC, USA
	Shasun NBI LLC, USA (w.e.f November 19, 2015 Refer note 41(i))
Associates:	Strides Biologix Private Limited, India (w.e.f October 12, 2015 to November 17, 2015)
Key Management Personnel (KMP):	Arun Kumar, Executive Vice Chairman and Managing Director
	Abhaya Kumar, Executive Director
	Badree Komandur, Group Chief Financial Officer & Company Secretary
Relatives of KMP:	Aditya Arun Kumar
Enterprises owned or significantly influenced by KMP and relative of KMP:	Atma Projects, India
	Chayadeep Properties Private Limited, India
	Devendra Estate LLP, India
	LifeCell International Private Limited, India
	Nutra Specialties Private Limited, India
	Sequent Scientific Limited, India
	Sequent Research Limited, India
	Shasun Foundation Trust, India
	Strides Foundation Trust, India

Notes

forming part of the financial statements

RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED MARCH 31, 2016

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, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015
Sales of materials/services:										
1 Arrow Pharmaceuticals Pty Limited	5.25	-	-	-	-	-	-	-	-	-
2 Beltapharm S.p.A.	-	-	1.40	1.13	-	-	-	-	0.16	-
3 Lifezell International Private Limited	-	-	-	-	-	-	-	-	-	-
4 Nutra Specialities Private Limited	-	-	-	-	-	-	-	-	1.21	-
5 Strides Shasun (UK) Limited (formerly Co-Pharma Limited)	332.43	373.13	-	-	-	-	-	-	-	-
6 Sequent Scientific Limited	-	-	-	-	-	-	-	-	49.46	-
7 Shasun Pharma Solutions Limited	51.31	-	-	-	-	-	-	-	-	-
8 Shasun USA Inc.	74.81	-	-	-	-	-	-	-	-	-
9 Stabilis Pharma Inc.	4.72	-	-	-	-	-	-	-	-	-
10 Strides Emerging Markets Private Limited	5.18	1.48	-	-	-	-	-	-	-	-
11 Strides Pharma Botswana (Pty) Limited	-	-	-	0.27	-	-	-	-	-	-
12 Strides Pharma (Cyprus) Limited	1,281.69	1,064.55	-	206.59	-	-	-	-	-	-
13 Strides Pharma Global Pte Limited	2,501.22	865.81	-	-	-	-	-	-	-	-
14 Strides Pharma Inc.	-	14.31	-	-	-	-	-	-	-	-
15 Strides Vital Nigeria Limited	-	-	-	3.44	-	-	-	-	-	-
Royalty income:										
1 Strides Pharma Global Pte Limited	87.26	48.90	-	-	-	-	-	-	-	-
Dividend income:										
1 Strides Pharma Asia Pte Limited	-	2,140.25	-	-	-	-	-	-	-	-
2 Strides Pharma International Limited	-	562.46	-	-	-	-	-	-	-	-
3 Strides Pharmaceuticals (Holdings) Limited	-	1,834.52	-	-	-	-	-	-	-	-
Interest received:										
1 Arrow Remedies Private Limited (formerly Lex Pharma Private Limited)	-	-	0.28	-	-	-	-	-	-	-

Notes

forming part of the financial statements

RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED MARCH 31, 2016 (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, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 2016	Year Ended March 2015	Year Ended March 31, 2016	Year Ended March 31, 2015
Managerial Remuneration:										
1 Mr. Arun kumar							52.50	55.19		
2 Mr. Badree Komandur							26.59	23.51		
3 Mr. S Abhaya Kumar							21.17	-		
Salary to:										
1 Mr. Aditya Arun Kumar							1.22	0.87		
Reimbursement of Expenses Incurred by:										
1 Arrow Pharmaceuticals Pty Limited	29.01	-								
2 Beltapharm S.p.A.			1.84	-						
3 Shasun Pharma Solutions Limited	14.77	-								
4 Shasun USA Inc	97.43	-								
5 Strides Healthcare Private Limited (formerly Strides Actives Private Limited)								9.00		
6 Strides Pharma (Cyprus) Limited	3.34	22.54							1.03	
7 Strides Pharma Inc.	-	18.57								
Reimbursement of Expenses Incurred on behalf of:										
1 Arrow Pharmaceuticals Pty Limited	1.98	-								
2 Arrow Remedies Private Limited (formerly Lex Pharma Private Limited)			0.11	-						
3 Fagris Medica Private Limited			0.09	-						0.15
4 Sequent Scientific Limited										
5 Shasun Pharma Solutions Limited	14.16	-								
6 Stelis Biopharma Private Limited (formerly Inbiopro Solutions Private Limited)*	17.35	134.00								
7 Stelis Biopharma (Malaysia) SDN BHD	-	5.92								
8 Strides Biologix Private Limited			0.10	-						

Notes

forming part of the financial statements

RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED MARCH 31, 2016 (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, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015
3 Strides Arcolab International Limited	1,578.34	-								
4 Strides Pharma International Limited	-	852.35								
Refund of Share application money:										
1 Strides Arcolab International Limited	-	17.16								
2 Strides Pharma Asia Pte Limited	-	1,444.89								
3 Stelis Biopharma Private Limited (formerly Inbiopro Solutions Private Limited)*	90.00	-								
4 Strides Pharma International Limited	-	852.35								
5 Strides Pharmaceuticals (Holdings) Limited	-	871.43								
Lease deposit paid:										
1 Atma Projects									43.84	-
Donation:										
1 Shasun Foundation Trust									1.70	-
2 Strides Foundation Trust									19.60	-

Note:

* During the previous year, Stelis Biopharma Private Limited, India was merged with Inbiopro Solutions Private Limited, India effective from November 10, 2014. Subsequent to the merger, Inbiopro Solutions Private Limited, India was renamed to Stelis Biopharma Private Limited, India.

Notes

forming part of the financial statements

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 ₹ 103.84 Million (Previous year ₹ 59.75 Million).

During the year ended March 31, 2016, the Company had cancelled certain lease arrangements which were originally entered for the non-cancellable term of 3 years and entered into new lease contracts for its office premises. The tenure of such lease is 5 years to 10 years with non-cancellable period of 18 months to 36 months. 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 Million	
	March 31, 2016	March 31, 2015
Not later than one year	100.16	23.44
Later than one year and not later than five years	66.47	15.11
Later than five years	-	-
Total	166.63	38.55

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 Million	
	March 31, 2016	March 31, 2015
Gross carrying amount of assets leased	710.23	710.23
Accumulated depreciation	88.63	49.78
Future minimum lease rental incomes:		
Not later than one year	54.44	49.91
Later than one year and not later than five years	245.33	231.44
Later than five years	11.24	78.03

The Company has entered into a finance lease arrangement for certain equipments, which provide the Company an option to purchase the assets at the end of the lease period.

Particulars	March 31, 2016
Future minimum lease payments :	
not later than one year	22.20
Later than one year and not later than five years	66.60
Later than five years	-
Total	88.80
Less: Un-matured finance charges	(16.87)
Present value of minimum lease payments payable	71.93
not later than one year	15.32
later than one year and not later than five years	56.61
later than five years	-

Notes

forming part of the financial statements

	March 31, 2016	March 31, 2015
NOTE NO. 49 EARNINGS PER SHARE		
Basic:		
Net profit for the year attributable to the equity shareholders (₹ in Million)	1,610.72	5,323.19
Weighted average number of equity shares	82,586,576	59,570,553
Par value per share	₹ 10/-	₹ 10/-
Earnings per share – Basic	₹ 19.50	₹ 89.36
Diluted:		
Net profit for the year	1,610.72	5,323.19
Net profit attributable to equity shareholders	1,610.72	5,323.19
Weighted average number of Shares for Basic EPS	82,586,576	59,570,553
Add: Effect of outstanding Employee stock options and share warrants	508,558	244,993
Weighted average number of equity shares for diluted EPS	83,095,134	59,815,546
Par value per share	₹ 10/-	₹ 10/-
Earnings per share – Diluted	₹ 19.38	₹ 88.99

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 had 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 2013 Act.

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, 2016 and March 31, 2015, 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, 2016 and as on March 31, 2015 not designated as hedging instruments except in respect of Interest Rate Swap contracts taken on foreign currency borrowings (value of such contracts outstanding as at March 31, 2016: USD 0.56 Million, as at March 31, 2015: USD Nil). The loss on fair valuation of such open derivatives amounting to ₹ 0.58 Million for the year ended March 31, 2016 (₹ Nil for the year ended March 31, 2015) is recognised in the Statement of Profit and Loss.

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, 2016, trade receivables balances include ₹ 473.28 Million (As at March 31, 2015: ₹ 270.69 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

Notes

forming part of the financial statements

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 ₹ 140.30

Million as at March 31, 2016 (At March 31, 2015: ₹ 90.40 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.

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 Million	
	March 31, 2016	March 31, 2015
Opening balance of provision for doubtful trade and other receivables	81.30	91.22
Pursuant to Scheme of Amalgamation (Refer Note 41(i))	32.06	-
Additional provision during the year	28.13	-
Provision reversed/ written off during the year	(42.19)	(9.92)
Closing balance of provision for doubtful trade and other receivables	99.30	81.30

52.2 Details on Derivatives Instruments & Un-hedged Foreign Currency Exposures:

The following derivative positions are open as at March 31, 2016. 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 recognised 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 Cash flow hedging instruments.

Particulars	Currency	Amount in Million	Buy/Sell	Cross Currency	₹ in Million
31-Mar-16	USD	78.00	Sell	INR	5,167.50
31-Mar-15	USD	74.00	Sell	INR	4,624.63

- (b) Interest Rate Swap contracts to hedge against fluctuations in interest rate changes: No. of contracts: Nil (As at March 31, 2015: 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, 2015: Nil).

II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Receivable/ (Payable) ₹ in Million	Receivable/ (Payable) in foreign currency (in Million)	Receivable/ (Payable) ₹ in Million	Receivable/ (Payable) in Foreign currency (in Million)
At March 31, 2016		At March 31, 2015	
(6,811.26)	USD (102.78)	(2,211.47)	USD (35.38)
745.29	GBP 7.84	29.48	GBP 0.32
227.51	EUR 3.02	210.01	EUR 3.14
127.06	AUD 2.51	98.76	AUD 2.09
30.62	CAD 0.60	11.23	CAD 0.23
1.99	CHF 0.03	-	CHF -
(0.04)	SGD (0.00)	0.23	SGD 0.01
(1.95)	JPY (3.31)	-	JPY -

Notes

forming part of the financial statements

III. There were no outstanding option contracts as at March 31, 2016 and as at March 31, 2015.

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 amortised cost less impairment if any.

The carrying amounts are as under:

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Trade receivables	7,022.95	2,560.14
Unbilled revenues	10.01	8.42
Advance recoverable in cash	2,289.24	1,455.74
Loans and advances to subsidiaries	1,440.44	458.86
Cash and bank Balances	943.44	742.95
Investments in mutual funds	11,329.48	5,612.89

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 Amortised Cost

The following financial liabilities are held at amortised cost. The carrying amount of Financial Liabilities is as under:

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Secured borrowings:		
Long-term (including current maturities)	10,203.97	2,424.96
Short-term	5,444.13	1,626.60
Unsecured borrowings:		
Long-term (including current maturities)	1.86	-
Other long-term liabilities:		
Gratuity	90.40	71.95
Other liabilities	59.48	53.95
Current liabilities:		
Trade payables	4,971.67	1,886.24
Interest accrued but not due	93.40	25.72
Unclaimed dividends	68.52	67.55
Payable on purchase of fixed assets	78.89	8.76
Gratuity	30.10	-
Other liabilities	237.67	118.14
Provision for:		
Compensated absences	159.67	104.64
Payable to employees under long-term incentive plan	28.27	78.40
Provision for tax (net)	-	102.96
Equity dividends (including dividend distribution tax thereon)	432.18	178.85

Note: Interest expense calculated using effective interest rate method as prescribed in AS 30 for financial liabilities that are carried at amortised cost is ₹ 441.76 Million (for the year ended March 31, 2015: ₹ 150.13 Million).

(c) Financial assets / liabilities held for trading are as follows:

Provisions / receivable carried towards mark to market losses / gains on forward exchange contracts ₹139.72 Million gain as at March 31, 2016 (₹ 90.40 Million gain as at March 31, 2015).

Notes

forming part of the financial statements

(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 Million				
Financial Asset	Carrying value 31-Mar-16	Carrying value 31-Mar-15	Liability/ Contingent Liability for which pledged as collateral	Terms and conditions relating to pledge
I. Current Investments				
Mutual funds	4,024.96	4015.00	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	1.36	12.00	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				
	473.28	270.69	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, 2016 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:

Financial assets/ (liabilities) as at:

Particulars	₹ In Million	
	March 31, 2016	March 31, 2015
Fixed		
Financial Assets	10,405.36	4,857.65
Financial Liabilities	(6,178.84)	(2,664.94)
	4,226.52	2,192.71
Floating		
Financial Assets	12,769.92	6,071.75
Financial Liabilities	(15,721.36)	(4,083.78)
	(2,951.44)	1,987.97

Notes

forming part of the financial statements

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, 2016. (Figures in brackets relates to position as at March 31, 2015)

Financial Liabilities	₹ In Million					
	Due within (years)					
	1	1 to 2	2 to 3	3 to 4	4 to 5	5 & above
Bank & other borrowings	6,842.95 (2,409.11)	2,114.54 (782.37)	1,497.44 (860.00)	1,737.17 (0.08)	1,340.20 -	2,117.66 -
Interest payable on borrowings	93.40 (25.72)	- -	- -	- -	- -	- -
Trade and other payables not in net debt	5,905.53 (2,490.75)	41.75 (25.35)	39.02 (26.55)	38.37 (28.21)	38.37 (25.98)	93.81 (74.60)
Total	12,841.88 (4,925.58)	2,156.29 (807.72)	1,536.46 (886.55)	1,775.54 (28.29)	1,378.57 (25.98)	2,211.47 (74.60)

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 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, 2016

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 ₹ 155.61 Million (for the year ended March 31, 2015 ₹ 40.48 Million) assuming the loans as of March 31, 2016 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 to be principal currency which requires monitoring and risk mitigation. The Company is exposed to

Notes

forming part of the financial statements

volatility in other currencies including the Great Britain Pounds (GBP) and the Australian Dollar (AUD). The impact on account of 5% appreciation / depreciation in the exchange rates of the above mentioned foreign currencies against INR is given below:

Particulars	₹ In Million	
	Increase/ (Decrease) in Equity in	
	March 31, 2016	March 31, 2015
Appreciation in the US dollar	(340.56)	(110.57)
Depreciation in the US dollar	340.56	110.57
Appreciation in the Euro	11.38	10.50
Depreciation in the Euro	(11.38)	(10.50)
Appreciation in the GBP	37.26	1.47
Depreciation in the GBP	(37.26)	(1.47)
Appreciation in the Australian Dollar	6.35	4.94
Depreciation in the Australian Dollar	(6.35)	(4.94)

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, 2016.

NOTE NO. 53

During 2011, the erstwhile Shasun Pharmaceuticals Limited ("Shasun") (which merged with the Company effective April 1, 2015 – refer Note 41(i)) had entered into an agreement with Nanoparticle Biochem Inc. for establishing a joint venture company in USA called Shasun NBI LLC and accordingly, held 50% interest in Shasun NBI LLC. The contractual arrangement between Nanoparticle Biochem Inc and the erstwhile Shasun indicates that the parties jointly control the financial and operating policies of Shasun NBI LLC in the ordinary course of business.

The aggregate amount of assets, liabilities, income and expenses related to the Company's share in the joint venture as of and for the year ended March 31, 2016 are given below:

	₹ In Million
	March 31, 2016
LIABILITIES	
Current liabilities	
Other current liabilities	39.12
Total Liabilities	39.12
ASSETS	
Non-current assets	
Tangible assets	0.01
Current assets	
Cash and cash equivalents	0.32
Total Assets	0.33
	For The Year Ended March 31, 2016
EXPENDITURE	
Operating and other expenses	0.58
Research and development expenses	-
Depreciation and amortisation expenses	-
Loss before taxation	0.58
Provision for tax	-
Loss after taxation	0.58

Shasun NBI LLC, became part of the Strides Group post merger of Shasun with the Company. Hence, disclosure of previous year numbers is not applicable.

Notes

forming part of the financial statements

NOTE NO. 54 OTHER MATTERS

- (a) In respect of freehold land to the extent of 7.20 acres (as at March 31, 2016 gross block and net block amounting to Rs. 257.67 Million) capitalised in the books of the Company, the title deeds are under dispute. The Company has been legally advised that it has title deed in its name and that it will be able defend any counter claims to such parcel of land under dispute.
- (b) The title deeds of freehold land and building admeasuring 57.82 acres (as at March 31, 2016 gross block Rs. 2,191.62 Million and net block of Rs. 1,534.50 Million) capitalised in the books of the Company are in the name of erstwhile Companies which were merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Courts of judicature. The Company is in the process of transferring the title deeds of such properties in its name.
- (c) In respect of buildings admeasuring 1,470 sq. ft. (as at March 31, 2016 gross block of Rs. 4.05 Million and net block Rs. 1.59 Million) capitalised in the books of the Company, the title deeds are not in the name of the Company. The Company is in the process transferring the title deeds of such buildings in its name.

NOTE NO. 55

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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 Rs.100 each to Rs.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
01-Sep-94	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
13-May-99	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
24-Aug-99	Preferential Issue	1,702,000	12,006,566	10	17,020,000	120,065,660
24-Aug-99	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
13 Aug 2009 to 03 Dec 2009	Allotment under ESOP	165,600	40,215,614	10	1,656,000	402,156,140

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) (₹)
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
19-Jan-10	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 April 1 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 to 22 May 15	Allotment under ESOP	60,000	59,625,621	10	600,000	596,256,210
20-Nov-15	Upon Amalgamation of Shasun Pharmaceuticals with Strides (5 shares of Strides for 16 shares of Shasun)	21,017,329	80,642,950	10	210,173,290	806,429,500
23-Dec-15	Allotment under QIP 2015	8,628,028	89,270,978	10	86,280,280	892,709,780
07-Mar-16	Allotment under ESOP	75,000	89,345,978	10	750,000	893,459,780

A Historical Perspective

Particulars	₹ In Million				
	FY15-16 USD mn	FY15-16	FY14-15	FY13-14	2012
INCOME, PROFIT & DIVIDEND					
Total Income	484.32	31,776	12,190	13,747	9,700
EBITDA	85.61	5,617	2,520	2,572	1,088
Depreciation & Amortisation	23.98	1,573	640	565	309
Exceptional Items Gain / (Loss)	(7.22)	(474)	(74)	(266)	7,001
PAT (Total Operations)	31.85	2,089	8,450	17,667	8,462
Equity Dividend	6.69	439	6,433	30,081	118
Dividend Rate %		40%	1080%	5050%	20%
LIABILITIES & ASSETS					
Liabilities					
Equity Share Capital	13.49	893	596	596	588
Preference Share Capital					
Monies Pending Allotment					
Reserves & surplus	418.44	27,721	10,845	9,471	19,639
Total Net Worth	431.92	28,615	11,441	10,066	20,227
ESOP	0.26	17	8	2	35
Long Term Loans	446.76	29,598	6,887	3,221	9,946
Short Term Loans	105.89	7,015	2,030	2,246	5,999
FCCBs					
Total Borrowings	552.65	36,613	8,917	5,466	15,945
Minority Interest	6.46	428	187	757	719
Deferred Tax Liability	5.45	361	-	44	287
Total Liabilities	996.74	66,034	20,553	16,335	37,213
Assets					
Gross Block Incl CWIP	669.49	44,353	11,149	9,034	20,654
Net Block incl CWIP	520.41	34,477	7,357	5,506	15,679
Goodwill	26.68	1,768	1,368	1,034	16,903
Investments	196.83	13,040	6,300	4,430	1
Deferred tax Asset	3.19	211	54	27	16
Other Assets (Net)	249.63	16,538	5,474	5,337	4,603
Miscellaneous Expenditure					12
Total Assets	996.74	66,034	20,553	16,335	37,213
Key Indicators					
Book Value	5.23	347	192	169	345
Net Debt	323.46	21,429	1,835	(858)	14,287
Debt : Equity Ratio (Net of Cash)	0.75	0.75	0.16	(0.09)	0.71
Operating Profit Margin (%)	18	18	21	19	11

1) 1 USD = Rs.66.25 (Exchange rate as on March 31,2015)

2) FY13-14 is for 15 month period

Corporate information

REGISTERED OFFICE

201, Devavrata, Sector 17, Vashi,
Navi Mumbai - 400 703.
Tel.: +91 22 2789 3199
Fax No. +91 22 2789 2942
Email: info@stridesshasun.com
Website: www.stridesarco.com
CIN: L24230MH1990PLC057062

CORPORATE OFFICE

'Strides House', Bilekahalli
Bannerghatta Road,
Bengaluru - 560 076.
Tel.: +91 80 6784 0738/ 000
Fax No.: +91 80 6784 0700/ 800

CHENNAI OFFICE

'Batra Centre', 3rd and 4th Floor,
28, Sardar Patel Road,
Guindy, Chennai - 600 032.
Tel.: +91 44 4344 6700/ 222 07 500
Fax No.: +91 44 2235 0278

BRANCH OFFICE

Dudley Lane, Dudley,
Cramlington, Northumberland,
England NE 237QG
Tel: +44 191 250 0471

GLOBAL OFFICES

SINGAPORE

3 Tuas South Avenue 4,
Singapore - 637610

AUSTRALIA

Level 18, 530 Collins Street,
Melbourne, Vic 3000

CAMBODIA

No.43-A, Street No.420,
Sangkat Boeung Trabek
Khan Chamkarmon, Phnom Penh,
Cambodia

CAMEROON

S/C B.P 2353 Douala AKWA
Rue DUBOIS De Saligny
Cameroon

R & D CENTRE

165/2, 1st Main Road, Krishna Raju
Layout, J.P Nagar 7th Phase
Bengaluru - 560076

API R&D

27, Vandaloor Kelambakkam Road
Keelakottaiyur Village
Melakottaiyur (PO)
Chennai - 600 127

FORMULATION R&D

R.S.No-32-34, PIMS Road
Near Pondicherry University
Landmark - Dr Ambedkar Law
College Periyakalpet
Puducherry - 605 014

STATUTORY AUDITORS

Deloitte Haskins & Sells
Deloitte Centre, Anchorage II,
100/2, Richmond Road,
Bengaluru - 560 025

INTERNAL AUDITORS

Grant Thornton India LLP
WINGS, First Floor,
16/1, Cambridge Road,
Halasuru, Bengaluru - 560 008

PHILIPPINES

Unit 1010, Antel Global
Corporate Centre,
Julia Vargas Avenue, Ortigas
Central Business District,
Metro Manila
Pasig City 1605

SRI LANKA

No.104, 1/3, Pagoda Road,
Pitakotte - 10100,
Colombo, Sri Lanka

SWITZERLAND

Rue Fritz-Cournvoisier 40
2300 La Chaux-De-Fonds
Suisse, Switzerland

REGISTRARS

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: rajuv@karvy.com

ADVOCATES AND SOLICITORS

DSK Legal
1203, One Indiabulls Centre
Tower 2, Floor 12 B
841, Senapati Bapat Marg
Elphinstone Road,
Mumbai - 400 013

BANKERS AND FINANCIAL INSTITUTIONS

Axis Bank Limited
RBL Bank
Yes Bank Limited
Export-Import Bank of India
ICICI Bank Limited
State Bank of Travancore
Barclays Bank

UNITED KINGDOM

Unit 4, Metro Centre, Tolpits Lane,
Watford, Hertfordshire,
WD18 9SS, UK

Dudley Lane, Dudley,
Cramlington, Northumberland,
England NE 237QG

USA

2 Tower Center Blvd.,
Suite: 1102
East Brunswick, NJ 08816.

197, Rt 18 South, Suite 102,
East Brunswick, NJ 08816



CIN: L24230MH1990PLC057062

CORPORATE OFFICE

Strides Shasun Limited
(Formerly Strides Arcolab Limited)
'Strides House', Bilekahalli
Bannerghatta Road,
Bengaluru 560 076, India.
Tel.: +91 80 6784 0738/000
Fax No. +91 80 67840700/800

REGISTERED OFFICE

201, Devavrata,
Sector 17, Vashi,
Navi Mumbai 400 703, India.
Tel.: +91 22 27893199
Fax No. +91 22 27892942
Email: info@stridesshasun.com
Website: www.stridesarco.com