Strides Shasun

Direct.
Diversified.
Driven.

Strides Shasun Limited
Annual Report
2016-17

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.

Inside this report

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Equity Share Information

- Share Price: ₹ **1,098.50** per share*
- Proposed dividend: ₹ **4.50** per share (Face value ₹ **10**)
- Promoters holding: **31.09**%*
- BSE: **532531**
- NSE: **STAR**

*As on 31st March, 2017

₹3,511Cr.	₹9,823Cr.	₹8,117Cr.	₹2,710Cr.
Global turnover	***Market capitalisation***	***Balance sheet size***	***Shareholder's fund***

As on March 31, 2017

The foundation for Strides Shasun 2.0 is now strong enough to position the Company as a well-diversified, fully integrated, consumer-facing formulations player with focus towards regulated markets.

During the year, we reconfigured our business priorities in line with the broad trajectory of the global pharmaceutical industry. We have now formulated a direct market approach to further strengthen our core business and shape Strides 2.0.

We are driven by our transformational DNA. During the year, we announced our intent to demerge our Commodity API business to Solara Active Pharma Sciences Limited (Solara). The human API business of SeQuent Scientific Limited (a promoter owned listed company) is also proposed to be carved out and merged into Solara. The combined entity, to be listed in the BSE and NSE, will be one of India's largest API companies.

On the other hand, diversified innovation also helps us enrich our portfolio of products and grow for the long term in an industry that remains largely knowledge driven.

Our strategy of being direct, driven and diversified will continue to create new growth frontiers for us; and for all stakeholders who have reposed their trust in our vision and value creation model.

Strides 2.0 is now **gaining momentum**

Strategic progression with significant value unlocked

Strides 1.0

1990-04

Learning phase

- Emerging market FDF company with trading focus

2004-08

Course correction

- Business rewired towards scarcity-unconventional markets and domains
- Acquisition of front-end platforms in SE Asia, Australia and India

2008-13

Unlocking value

- Sale of Ascent Pharma and Agila Specialties
- Over US$ 2 billion worth of value unlocked
- Deleveraged balance sheet
- Distributed US$ 650 million as special dividend, a corporate record in India

Strides 2.0

Today

B2C Focus

Branded generics portfolio

Diversified footprint in regulated and emerging markets

Best-in-class quality compliance system

Vertically integrated future-ready supply base

Strong R&D capabilities

Shaping Strides 2.0

Organic and inorganic strategies enabled us to attain critical mass

2014-15

- Merger with Shasun for access to pipeline and supply chain security
- Set up R&D base from scratch (previous R&D set up was part of divestments)

US$ **190** Mn
Revenue (FY2014-15)

US$ **425** Mn
Market Cap (March 2015)

2015-16

- Acquisition of Universal Corporation in Africa to rewire 'In Africa For Africa Strategy'
- Brand acquisitions in the US and emerging markets to strengthen product offering
- Re-entered Australia through Arrow. Bolt on acquisitions of Generic Partners, Pharmacy Alliance

US$ **440** Mn
Revenue (FY2015-16)

US$ **1.5** Bn
Market Cap (March 2016)

2016-17

- JV with Vivimed for its US FDA formulations facility, provides access to pipeline and de-risked manufacturing
- Proposed demerger of B2B oriented commodity API business*
- Acquisition of USFDA approved multi product API facility from Perrigo for integrated products
- Exit from CRAMS, Sale of Africa generics manufacturing business and capping investment in Stelis Biopharma

US$ **524** Mn
Revenue (FY2016-17)

US$ **1.5** Bn
Market Cap (March 2017)

*** Subject to requisite approvals**

Strides Shasun **at a glance**

- Headquartered in Bangalore.
- A vertically integrated global pharmaceutical Company.
- Trusted player in the global pharmaceutical industry.
- Develops and manufactures a wide range of IP-led niche pharmaceutical products for regulated and emerging markets.
- Scaling over-the-counter (OTC) franchise across key regulated and emerging markets.

Vision

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

Mission

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

Values

Living our Values

ICE

Integrity Collaboration Efficiency

I **Integrity**
We will follow the right practices and do the right thing

C **Collaboration**
We will work together, understanding and supporting each other

E **Efficiency**
We will do everything to deliver quicker, better results

*** Including Institutional Business**

9
Manufacturing facilities spanning three continents

100+
Countries global footprint

5,800+
Global employee base

2
Global R&D centres

500+
R&D team strength

1,000+
Frontline sales force in emerging markets

₹1,361 Mn
R&D expenditure in 2016-17

Fully integrated business model - Strong B2C foundation

Diversified business model

Scope

- Well-diversified consumer-facing business in regulated and emerging markets

Supply chain security

Infrastructure

- Vertically integrated manufacturing infrastructure with key regulatory approvals
- Six FDF facilities in India,Europe and Africa (four USFDA approved)
- Three USFDA approved API facilities in India

Integrated R&D capability

Research

- Two dedicated R&D facilities in India with global filing capabilities

Manufacturing operations with high automation

Portfolio

- Capabilities in multiple delivery technologies and dosage formats
- Portfolio across topicals, liquids, creams, ointments, soft gels, hard gels, sachets tablets and modified release formats

Experienced management team

Management

- Experienced and proven management team with strategic oversight of a reconstituted Board

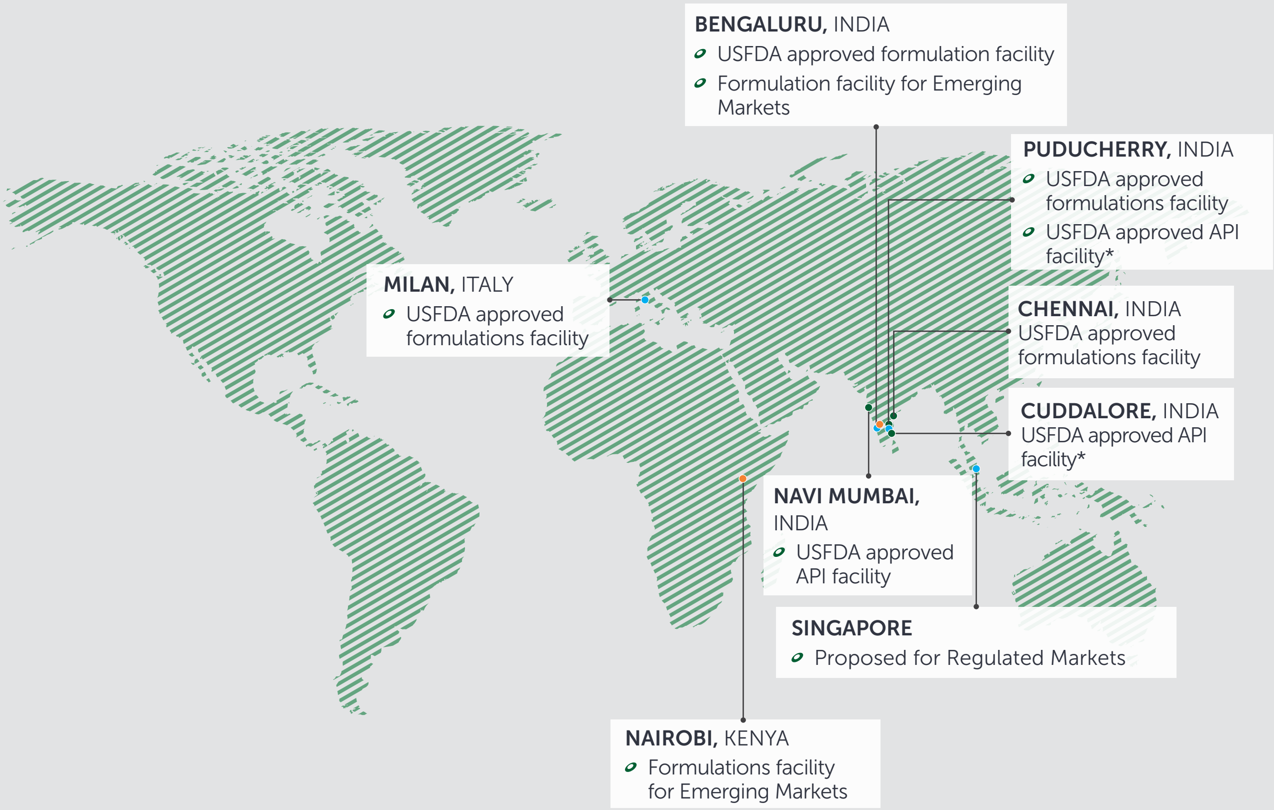
Best-in-class quality compliance

Compliance

- Strong compliance environment with impeccable regulatory track record
- Technology-led control on operations, quality and data management

Capacity to deliver **sustainably**

We have future-ready manufacturing capacities, integrated with strategic API sources.



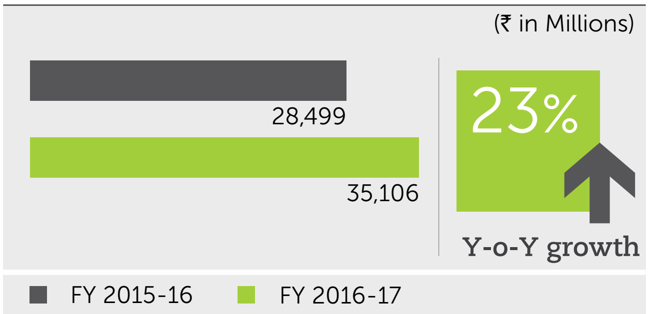
Manufacturing capability

- FDF
- Emerging Market Facility
- Integrated API

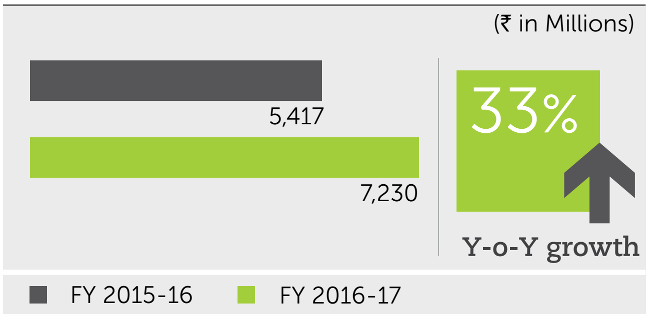
***Being demerged to Solara**

Consistent performance

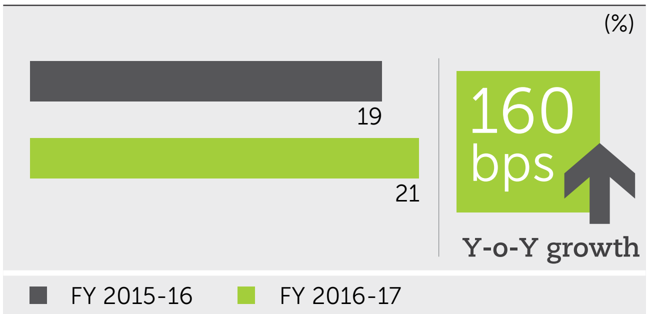
Pharma Revenue



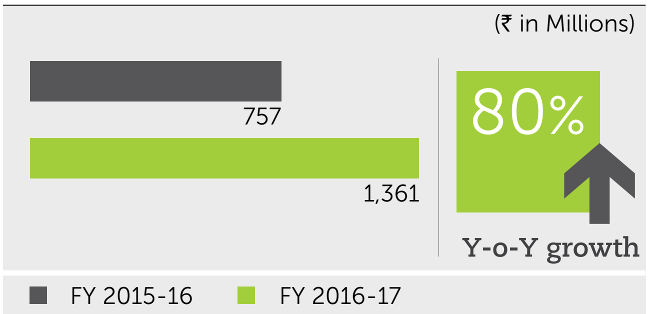
Pharma EBIDTA



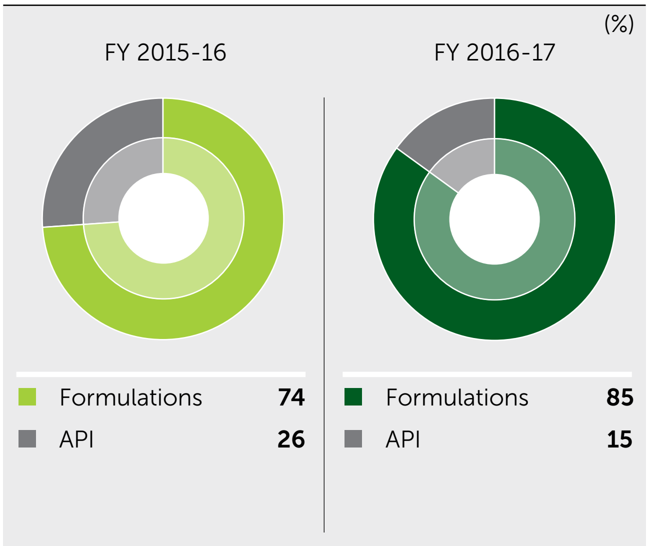
EBIDTA Margins



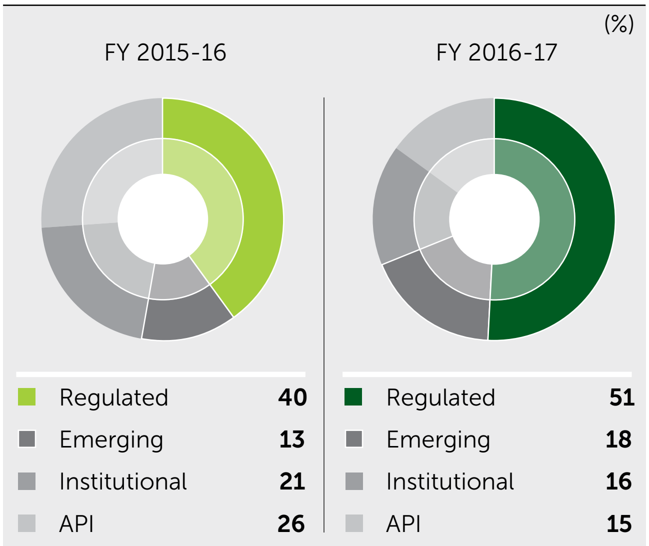
R&D Spend



Category-wise Revenue



Business-wise Revenue



Value creation **model**

Sharpened Focus Across All Value Drivers

Diversified market positioning

Diversified B2C business model with front-end presence across regulated and emerging markets

Regulated markets

- Front-end presence across Australia, USA and The United Kingdom
- Extensive product portfolio for Rx and OTC across various dosage formats
- Five USFDA approved facilities in India, Europe, upcoming regulated market facility in Singapore*
- Capacity of 15-20 ANDA filings per annum

Emerging markets

- Focus on front-end markets of Africa and India with a portfolio of branded generics
- 'In Africa for Africa' strategy with the acquired facility of Universal Corporation, Kenya
- 1,000+ sales force promoting brands to medical practitioners
- Catering to donor-funded programmes using local facilities

Future-ready manufacturing base

- Vertically integrated de-risked manufacturing capacity mapped for future growth
- Diversified: Facilities spread across geographies. Mirrored facilities for all dosage forms to de-risk business
- Automation: Focus on high level of automation to de-risk manufacturing and quality process
- Compliant: Robust quality and compliance track record. Anytime audit preparedness.
- Supply Chain Security: In-house API facility for supply chain security and quality control

*Expected to come on-stream in late 2017

Integrated R&D Capability

- Organisation: Modelled on Full Time Equivalence (FTE) structure for improved efficiency and increased scientific collaboration
- Differentiated Portfolio: Focus on difficult-to-develop and differentiated products
- Paperless: Oracle Agile based Product Lifecycle Management systems from conception to filing
- Proficient Regulatory Network: Capable of developing and filing products for all regulated markets
- R&D investments commitment of US$ 30 million per year

Technology and Compliance

- Highly compliant culture led by technology driven quality environment
- Four of the last five USFDA audits cleared with Zero 483s
- Structured approach of product development and lifecycle management embedded with Quality by Design
- Emphasise on skill and competency development of employees
- Fully integrated and compliant laboratory through paperless operations
- Fully integrated manufacturing equipment with complete control on operations and data management
- Integrated quality management system with increased effectiveness

GROWTH DRIVERS

Quality Compliance

Cost Focus

R&D Execution

Proven Management Team

Winning Culture

Founder's **perspective**

We have all the pivots and the pillars to take our business to the next level.

Dear Friends,

After 27 eventful and exciting years of having founded and led Strides as CEO, I have moved on to a more strategic role as the Chairman of the Board. My days as CEO have been undoubtedly the most rewarding period of my career; and I have fond memories of my achievements, failures and lessons in humility.

We are on a historic transformation mission in times of sweeping change around us.

When I began the journey, I never imagined that our Company would reach the stature where it is today. A huge proportion of the credit for this enormous accomplishment goes to our stakeholders for their commitment and support in helping me grow this business.

As I move on, I pass on the baton to Shashank, who has joined the Group a year ago. We have also reconstituted our Board to guide the management to take the business to greater heights.

Realigned focus

During 2016-17, we realigned our business priorities in line with the broad trajectory of the global pharmaceutical industry. We now focus on a fully integrated consumer-facing business, which is IP led. It will be backed by a robust portfolio with a focus on aggressive market expansion, supported by a strong balance sheet.

Our business includes a leading position in Australia under Arrow, a growing US front-end business, backed by a strong IP-led portfolio. On the other hand, our emerging markets business will include our branded business in Africa, India and Southeast Asia.

Competitive advantage

Today, a growing number of pharma companies are facing challenges due to compliance issues, pricing pressure and volatility in emerging markets. However, we are suitably placed, owing to our fundamental strengths and prudent strategies.

We have a fully compliant and globally diversified manufacturing footprint. Our leadership ensures commitment and engagement through quality forums. Moreover, we have significantly invested in IT-led quality compliance to embed a culture of quality and compliance integrity.

Price-based competition does not have significant impact on us considering our business is diversified with presence in Australia, the US, Europe, Africa and India. We also have a robust pipeline of products to benefit from faster approvals under the new GDUFA guidelines. We have developed a portfolio of niche products with a high-entry barrier. Our future growth will be driven by new products and market share gain of our key products.

In line with our Strides 2.0 strategy, we exited from the low-margin generics business in Africa. We are focused on a more dependable branded generics business in attractive therapeutic segments. Our brands are now promoted by a powerful over 1,000-member sales force in Africa and India to medical practitioners.

We announced the de-merger of our Commodity API business into a new entity, Solara Active Pharma Sciences, to be listed. Solara will also have SeQuent Scientific's Human API business. We expect Solara to be among the leading standalone listed API companies in India.

Given the B2C strategy, we have capped our equity infusion in our bio-generics business for a significant minority stake. At a later stage, we will unlock significant value, when commercial revenue generation starts.

We have all the pivots and the pillars to take our business to the next level. I will continue to play an important role with strategy direction and quality oversight, representing the stakeholder's interest; and I am sure we will continue to move forward even more aggressively in the near term under the new leadership.

We are on a historic transformation mission in times of sweeping change around us. We need your consistent support and encouragement to continue to evolve and create sustainable value for all stakeholders.

Arun

Note from
Managing Director

We have the building blocks in place, a winning team, a shared vision and the passion to excel. Strides 2.0, is a direct, diversified, driven company.

Dear Friends,

It is my honour to serve as the Managing Director of your Company. I am grateful for the confidence the Board of Directors and the Founder Chairman have reposed in me. With their guidance and the teamwork of all my colleagues at Strides, I reaffirm our commitment to carry forward the legacy of value creation for all our stakeholders.

Strides 2.0 Strategy

We operate in a large and exciting industry, one where affordable access to quality healthcare including medicines, is a global challenge. To position ourselves to serve diverse markets, we continued to build business scale and scope during the year, with several mergers and acquisitions. Our strategy is to build an integrated, customer-facing, B2C business, with a diversified portfolio and the highest standards of quality and compliance integrity in the industry. In essence, Strides 2.0 is a company that is Direct. Diversified. Driven.

Year under review

The year was one of the most turbulent and filled with uncertain developments. A new administration in the US, ever-increasing regulatory scrutiny, volatile currencies and demonetisation and uncertainty around implementation of GST (Goods & Services Tax) in India, were significant factors.

Your Company continued to focus steadfastly on quality, cost, innovation and customers, which helped it deliver steady performance in volatile business conditions.

I am happy to report another successful year. In FY17, we reported revenue of ₹ 3,511 crores, compared to ₹ 2,850 crores in FY 2016. At the same time, our EBIDTA increased to ₹ 723 crores in FY17 vis-à-vis ₹ 542 crores in FY16.

Business performance

The regulated market business continued to witness robust growth, as we increased market share of all key products, including Dutasteride, Ergoclaciferol, Methoxsalen in North America. We commercialised Ranitidine, the first integrated product approval from our Company, which garnered a significant market share. We received six new product approvals during 2016-17. Our new product filing momentum picked up on the back of R&D investments which nearly doubled.

In Australia, we strengthened our business with the launch of twenty new products during FY 2016-17. We continue to expand our product portfolio, including new products from Generic Partners. We expanded our pharmacy coverage in Australia through the fast growing Pharmacy Alliance franchise, and consolidated our position as a leading generics company.

The emerging market business saw strong growth, driven by contributions from our business in Kenya. The Africa Brands business delivered steady performance, despite a volatile operating environment. We added more than 50 medical representatives in Africa taking our total field force strength to more than 250. Our India Brands business remained subdued, owing to the impact of demonetisation and uncertainty around GST implementation.

The Institutional Business sustained its market share in the donor funding programmes. Antiretroviral (ARV) business continues to witness healthy traction whereas the Malaria business was lower on account of reduced funding. We initiated the technology transfer of key products to our WHO approved facility of Universal Corporation in Kenya; and we hope to commence supplies by the second half of FY18.

The API portfolio was focused on driving volume led pricing discipline, which enabled it to deliver superior margins. We scaled up new product filing for high-entry barrier markets such as Japan and Korea.

Our R&D investments are fully deployed to build the future product pipeline. We made nine new product filings during the year. Our formulation and the API R&D teams worked on a joint development platform to build a portfolio of integrated products. We expect our new product filing momentum to double as the pipeline is healthy and approval timelines have reduced.

Leadership

During the year we set up a consumer healthcare vertical. Subodh Marwah joined as Group President – Consumer Health Care. Rahul Maitra joined our leadership team as CHRO (Chief Human Resources Officer).

Outlook

Our focus is to execute the Strides 2.0 strategy by

- Stepping up US new product filing to 15-20 per year
- Expanding our portfolio and go-to-market footprint in Australia
- Sales force productivity in Emerging Markets
- Highest standards of quality and compliance integrity
- Competitiveness driven by best-in-class efficiency.

We have the building blocks in place, a winning team, a shared vision and the passion to excel. Strides 2.0, is a direct, diversified, driven company.

Shashank

CFO's **review**

Our key functional priorities include driving business predictability, reinforcing cash flows, strengthening B2C mindset, enhancing compliance, leveraging analytics, building commercial acumen in business and creating an overall cost-focused organisation.

Dear Friends,

The year FY17 was characterised by Volatility, Uncertainty, Complexity and Ambiguity (VUCA) and the same was felt by most businesses throughout the year. There were many challenges, both internal and external. We executed 'multiple actions in multiple directions' since there were many moving parts in the Company.

The external challenges were characterised by wild forex movements, tough pricing environment, demonetisation, tepid growth in emerging markets, slow regulatory approvals, GST implementation, PBS reforms in Australia, low investor confidence in the healthcare sector, the US elections and the overall credit squeeze.

The internal challenges comprised formulating appropriate strategies to improve business profitability, second round of restructuring to position the Company from B2B to B2C, increase in R&D investments to accelerate future growth, build capacities, achieve synergies for past acquisitions, handling US FDA inspections, meeting the ever-increasing demand of compliance; and above all setting up a right process for handling diverse businesses with different drivers.

We have been communicating in all investor forums that key to achieve the H2 guidance is to get the product approvals. Unfortunately, we did not receive any of our key product approvals, which were factored in our profitability. Despite the scenario, we achieved 95% of H2 guidance. I wish to highlight the key highlights for FY17 which are as follows.

Key Highlights, 2016-17

- Focus on superior forex management in a volatile year, translating into EBITDA gains of ₹ 388 million;
- Invested for the future (capex of US$ 58 million towards compliance and capacity enhancement);
- Enhanced R&D investments for regulated markets, results to follow;
- Strengthened the balance sheet; comfortably placed on capital structure with debt to EBITDA < 3x post Biotech carve out;
- Reinforced stable credit outlook with strong growth visibility;
- Completed Mylan settlement with successful closure of regulatory Escrow arrests uncertainly, received US$ 28.33 million inflows;
- Kickstarted the de-merger process for the API business with the Board's approval; finalised the scheme for arrangement; currently, we are seeking other regulatory approvals. October 1, 2017 to be the appointed date for the demerger;
- Achieved tax optimisation; effective Tax Rate (ETR) under 16%, despite increasing presence in high-tax jurisdictions;
- Completed first full year of Arrow integration; strong financial controls in place, on the way to execute the long-term strategy;
- Accomplished sharper execution for Version 2.0 through restructuring

There were a few lowlights, but most of it could be attributed to external factors:

- Delay in product approvals;
- Significant PBS impacts dented Arrow performance;
- Integration of all M&As announced in FY 2016-17 taking time;
- Elongated working capital cycle; no need for further working capital in the coming year;
- Challenging year in terms of increased investments in R&D and capex and working capital needs at the same time;
- Linearity in R&D filings will need few more quarters;
- Synergy benefits taking more time

There are many priorities for the Group in FY 2017-18, which needs immediate attention. These include a close watch on Australian investments, overall profitability and EPS accretion, tight working capital management, GST implementation, integrated R&D filings and complete all corporate actions in time.

Our key functional priorities comprise the following: drive business predictability, reinforce cash flow focus, strengthen B2C mindset, enhance compliance, leverage analytics, build commercial acumen in business and create an overall cost-focused organisation.

I thank all stakeholders for the support and guidance in the most difficult year. I also look forward to FY 2018 with confidence. I assure all our stakeholders that we will continue to work on our priorities with diligence and focus, as we build a stronger organisation.

Badree

Evolving a direct **market approach**

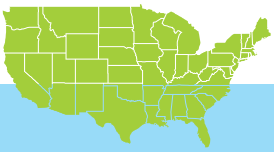
Following the divestment of our injectable business in 2013, we undertook several strategic corporate initiatives. Our focus is directed towards building a vertically integrated, consumer focused global formulations company.

During FY17, we took a conscious decision to migrate from our B2B businesses. Today, our evolved core business is witnessing a strong growth momentum.

With a reconfigured business model, we sharpened our B2C focus to further strengthen our core business and shape Strides 2.0.

Decisive steps

At Strides Shasun, we have now achieved a critical size that will enable us to position ourselves as a well-diversified, fully integrated, consumer-focused formulations player with a focus towards regulated markets.



United States

Focus on niche segments and a differentiated portfolio

- Concentrate on niche, low competition, high-technology barrier products built around modified release, soft gel capsules, topicals and integrated products
- Emphasise on the OTC franchise
- Target of 15-20 filings every year benefiting from new GDUFA regulations

Australia

Reaching a leadership position in generics and OTC

- Secure market leadership in Australia in three years
- Expanding our portfolio and go-to-market footprint
- Enhance pharmacy coverage as first-line generics with high loyalty across
- Site transfer product portfolio (in-house) will expand margins

European Union

Driving momentum on the UK front-end and partnership in EU

- Improve product range through global regulated market portfolio
- Increase coverage by expanding front-end presence in the UK
- Carry own IP generics to rest of Europe with strategic partnerships

Africa

'In Africa for Africa' theme with focus on branded generics

- Develop as a Sub-Saharan Africa branded generic player with leadership position in key markets and therapies
- Focus on lifestyle chronic therapies, driven by brands
- Enhance sales force productivity

India

Gaining traction with focus on select therapies

- Focused attention on high-growth areas of Central Nervous System (CNS), diabetes, cardiovascular, women's health and pain management
- Develop a portfolio of strong brands
- Foray into high-growth OTC segment, including Rx to OTC switch
- Enhance sales force productivity

Institutional Business

Focus on backward integration

- Develop next generation products as per donor agency guidelines driven by ehanced R&D expertise
- Leverage strong visibility with innovator organisation to be amongst the first wave of launches in select emerging markets

Driven by **transformational DNA**

As the regulatory landscape is constantly evolving, we have meticulously nurtured a transformational DNA in line with changing business realities. We understood the need to carve out our commodity API business as a standalone entity. Besides, being a B2B business, we believe the API business requires a differentiated strategic direction to grow and deliver value.

New API business

During FY17, we announced our intent to de-merge our Commodity API business into Solara Active Pharma Sciences Limited (Solara). The human API business of SeQuent Scientific Limited (a promoter group listed company) is also proposed to be carved out into Solara, thereby providing critical size to this business.

Solara will emerge as one of the largest standalone API companies in India. With robust manufacturing facilities and a strong compliance culture, the business is suitably poised to grow sustainably.

Solara will have a strong portfolio of DMF filings and will be complemented by five manufacturing sites (including three USFDA approved facilities) having key global regulatory approvals.

In terms of the proposed scheme of arrangement, every shareholder of Strides Shasun will get 1 equity share of Solara for every 6 shares held by them in Strides Shasun.

5

Manufacturing sites

API business is well poised for growth

Supply Chain

- Expanding size and scope to become one of India's largest standalone API companies

Compliance

- Diversified production units to mitigate regulatory risks
- Leverage on experience of parent companies - Strides and SeQuent
- Stay ahead of the curve on GMP and EHS requirements

Technology

- Initiate automated procedures around processes, quality systems and packaging
- Integrate automation levels ahead of industry

Advanced APIs

- Move up the value chain with focus on R&D
- Strengthen presence in high-entry barrier markets
- Foray into advanced next generation APIs

Partnerships

- Work on supply chain security with innovator and generic companies and evaluate profit sharing alternatives

Diversified **portfolio**

We have steadily invested in a wide range of innovations to make our portfolio of products diverse and differentiated in a competitive market scenario. Acceleration of product innovation and reducing time-to-market is a key element of our R&D-led growth strategy. Besides, we are leveraging our combined global products portfolio and strengthening our distribution network in these markets.

Focus on product development

We emphasise on legacy products, which enjoy limited competition and are growing our presence in those product areas, where we are currently present. These are soft gel capsules, hard gel capsules, topicals and so on. Moreover, we are especially focused on novel delivery systems for solid orals (modified release tablets and capsules) for both regulated and emerging markets.

Our skills for API and innovative formulation development, combined with competitive costs and the ability to provide end-to-end customer support, have established the division as a value-added growth engine. The API research centre is equipped with state-of-the-art analytical equipment and is approved by FDA as a testing laboratory.

Regulated market strategy

We have a strong product portfolio in the regulated markets of North America, the UK and Australia. We have 38 products approved for commercialisation in the US. Some of the key products are vancomycin, ergocalciferol, benzonatate, calcitriol, ibuprofen, ranitidine, methoxsalen and dutasteride. We have two Para IV ANDAs with tentative approvals for the United States - roflumilast tablets and fingolimod capsules.

We have a diversified product portfolio in generics and OTC segments in the UK, spanning wide-ranging therapies. Besides, we have filed the first modified release product under article 8.3 in Europe, which is Ibuprofen 300 mg Prolonged Release Tablets.

In Australia, we enjoy a strong portfolio of Rx and OTC products. We also own Chemists' Own OTC brands, which include a portfolio of cough, cold and flu, analgesics, sun care, smoking cessation, digestive health, anti-infective and allergy medicines.

Road ahead

Our primary focus is to capitalise on our existing product portfolio and pipeline for North America and Australia, for increased cross-selling opportunities. In the United States, our strategy will be to focus on growing as a niche player with a portfolio of small off-patent products. From FY18 onwards, we aim to target approximately 15-20 ANDA filings annually. We expect it to drive growth and help us gain market share in the limited competition products.

In Australia, we will concentrate on adding new products to our current portfolio, including in-licensing products, which will be going off-patents in the next few years. We will continue to adapt to the regulated markets in Europe, including the United Kingdom.

In the OTC segment, we intend to capitalise on Nuprin® brand, Jointflex and Pediacare globally.

Emerging market strategy

Our emerging markets strategy is focused on building a robust branded generics portfolio for the treatment of chronic therapies - including CNS, women's health, cardiovascular, probiotics, diabetes and dermatology. In the domestic market, we have established brands like Renerve®, Raricap® and Nuprin® in vitamin supplements, oral haematinics segments and pain management, respectively.

In Africa, we have over 750 products registered. With strong front-end presence in Africa, we effectively meet local market preferences and drive sales growth and margins.

Road Ahead

Going forward, we will expand our product range in Africa with a pipeline of approximately 500 product registrations. Additionally, we will strengthen our presence across Africa's market by adding more feet-on-street. In India, our designs go beyond developing a portfolio of established brands in high-growth, niche therapeutic categories.

Benefits of vertical integration

At Strides Shasun, we have access to in-house API capabilities, which we aim to leverage by filing additional ANDAs to develop our integrated portfolio. The integrated development approach ensures distinct advantages for the organisation. Primarily, it helps to control quality attributes of key input materials and cost across product lifecycle; apart from de-risking supply chain challenges.

We started developing products that are backward integrated for a significant part of our generic formulations business. This strategy will improve our ability to maintain quality control, mitigate demand-supply fluctuations in generics markets, and provide consistency and reliability of supply in an increasingly regulated global environment.

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

Product filings and approvals

	ANDA in the United States	In Europe	For the PEPFAR
Filings	67	135	18*
Approvals	38	106	17

* President's Emergency Plan for AIDS Relief

Committed to **quality assurance**

Over the years, we have developed a robust mechanism for quality assurance at every step of operations. This ecosystem is backed by the experience and the skillset of a diverse quality team, along with process automation for greater efficiency and standardisation.

We have transitioned into various automated processes to strengthen our quality compliance. These include laboratory and manufacturing automation among other key initiatives. The processes in these areas have enhanced controls now and are confirmed to have improved correctness and compliance. Adherence with the regulatory and quality requirements are ensured through robust designing of these automated tools through reduced dependence on human elements.

We have strengthened our learning management platforms that result in improved skill and knowledge levels of our employees. This has helped us in building desired competency enhancements in our employees through a well-defined programme. All employees in technical functions are covered in this programme. The competency development programme is designed with multiple competency levels and is aimed at incentivising the deployment of right skills and high competency at workplace.

We have deployed harmonised electronic Quality Management System across all locations and geographies within the organisation for uniformity towards quality governance. The quality governance mechanism has been enhanced to incorporate meticulously designed metrics with smart indicators to proactively address and arrest the concerns during routine operations.

We have strengthened our Quality Control processes for greater efficiency and improved ease of compliance combined with capability building initiatives. Various initiatives have been taken to simplify the operations and streamline them for greater effectiveness.

Strengthening **IT Framework**

The pharmaceutical industry is governed with regulatory audits covering a spectrum of compliances to set the processes and documentary evidence substantiating these. Thus, in Strides Shasun, investments in Information Technology (IT) are governed by the philosophy of attaining 'compliance with efficiencies'.

At our end, digitalisation involves moving towards automating processes, integration of machines with IT applications, instruction-led process robustness, and significant reduction in human intervention on documentation. Besides, with increased use of IT, we are building supervisory controls with digital signatures and built-in process checks that will help us attain higher standards of compliance over the entire flow of manufacturing and operations.

Investments on technology initiatives create the culture of 'grow-the-compliance' in Strides Shasun, which is fast transforming our engagement and outlook with our partners. We are developing a new 'cost of compliance' model with Strides Shasun version 2.0. The new 'us' is significantly different with investments in state-of-the-art technology platforms in the realms of research and development (R&D), quality control and manufacturing operations.

At Strides Shashun, we have charted a new road map for harmonising and transitioning the best practices and processes at all our manufacturing locations; and set the benchmark for technology initiatives in the pharmaceutical industry.

Research and Development (R&D)

We have implemented the Oracle Agile Product Life Cycle Management for all our R&D operations. This will allow us to aggregate development data for our ANDA filing and facilitate tracking the entire product development life cycle till its launch.

Analytics within the system will enable flexibility to track the status of development across molecules and geographies. Further with this new tracking device, we can analyse the market potential of a new molecule with real-time interface to external data sources.

Quality Control Laboratory

We have taken significant steps to digitalise the entire laboratory analysis processes with the implementation of Perkin Elmer ILAB solution. We have successfully migrated to the use of electronic worksheets for all lab analysis of input material as well as finished products. We further use electronic worksheets for data acquisition from instruments, thereby transforming into a truly paperless lab. This implementation has enabled us to improve the qualitative efficiencies in our lab processes and analysis performance.

Manufacturing Operations

Electronic Batch Manufacturing record is the pinnacle of digitalisation in pharma manufacturing. We conceptualised and developed the entire manufacturing execution system in association with Emerson Process Management to implement the Syncade application. This application interacts with all other IT systems covering quality, laboratory, training and attendance and R&D systems. Moreover, it acquires data from manufacturing equipment directly to ensure complete governance and diligence in manufacturing operations.

Moving ahead with
a talented team

Over the years, we have evolved into an Indian MNC with a diversified workforce emerging from our local employment approach for international operations. People are our greatest asset and we run programmes for talent development and teamwork.

Local employment

As an organisation aiming to deepen its footprint globally, we prefer to recruit local candidates. In FY 2016-17, local employment for our international operations stood at 72% for Africa, 100% for Italy and the UK, and 90% for Singapore and USA.

Talent development

At Strides Shasun, we nurture careers with the believe that our employees have the potential to become future leaders and take the organisation to greater heights. With this line of thought, we launched the Future Leadership Programme (FLP) in April 2016.

The FLP focuses on developing a highly-committed group of employees through a structured development programme. It is designed to build, strengthen and enhance the leadership skills of the potential leaders. In FY 2016-17, we completed the current batch with 27 employees clearing the process of the 133 participants.

Communication across sites

At our end, 'collaboration' is one of the defining characteristics of our core values. To improve teamwork and communication across the Company's many global worksites, we launched Workplace by Facebook, which is a collaborative platform run by the social media giant that offers social networks features in a corporate environment.

This helps us encourage a two-way communication across various Company worksites.

26%

of our workforce consists of women at our non-manufacturing sites.

32

is the average employee age at our organisation

Sustainability **at Strides**

At Strides Shasun, cultivating worthy solutions for communities' welfare is ingrained in our corporate philosophy. As a responsible corporate citizen, we undertake multiple endeavours to address socio-economic challenges in the fields of healthcare, education, employability and disaster management.

Healthcare

Arogyadhama: Arogyadhama is one of our major programmes under health and hygiene initiatives. Today the programme is catering to about 12,000 people across 10 villages in Suragajakkanahalli, Karnataka. During the year under review, over 6,250 patients benefited from this programme. Polio drops were administered to 140 children and 900 children were vaccinated for MMR (Measles and Rubella) in coordination with the Government. Over 937 students and 933 adults were impacted by our awareness and outreach programmes. Arogyadhama has made a significant mark in society by gaining appreciations and positive feedback from communities.

Health camps: Several health camps like general check-up, dental camps, eye camps and dermatology camps along with awareness programmes were organised for residents of Suragajakkanahalli village, Bengaluru and at Kalapet, Puducherry.

Community welfare

Open defecation free village: We joined hands with Suragajakkanahalli village Panchayat in creating awareness on personal hygiene. We revamped the underground drainage system of the village and provided septic tanks with up flow filters. The village was certified as an 'Open Defecation Free Village' by the Karnataka Government during the year under review.

RO Drinking water unit: New RO drinking water units were provided to Sidihoskote, Suragajakkanahalli Panchayat in Karnataka and at Kalapet, Pondicherry. The RO water units that were provided earlier at Suragajakkanahalli and Adoor in Bengaluru, and at Kalapet fisherman area, Tsunami quarters and Pillaichavadi, are checked regularly to ascertain the quality of water is potable.

Education and Employment

Employment empowerment programme: We initiated the Employment Empowerment Programme in partnership with Swami Vivekananda Rural Community College (SVRCC) to make youth from the neighbouring villages in Pondicherry employable. Training was undertaken by 100 students and several job-led courses were offered as a part of this programme. Students were assessed and counselled to choose the right courses based on their aptitude.

LeAPS: Leadership Adoption Programme for Schools, life skills training and effective examination skills were imparted to students of Government schools. The initiative focused on helping them face competitive examinations and to empower them to be future ready. In 2016-17, over 800 students benefited from these programmes.

Infrastructure development

Anganwadi: The quality and the state-of-the-art facilities provided at the Anganwadis built in Uttarakhand in the Himalayan Tsunami affected areas fetched us a lot of appreciation. We were honoured with the CSR Community Initiative Award under Disaster Relief category for the year 2016, from India CSR, the largest CSR network in the country.

Board
of Directors

Arun Kumar
Founder & Chairman

Deepak Vaidya
Non-Executive Director

S. Sridhar
Independent Director

Sangita Reddy
Independent Director

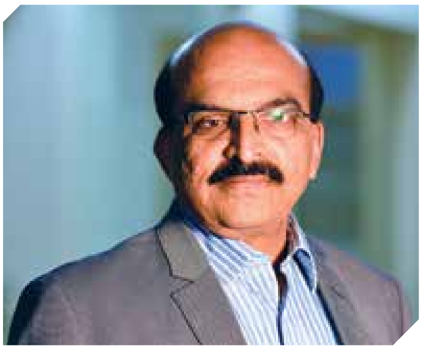
Bharat. D. Shah
Independent Director

Homi Rustam Khusrokhan
Independent Director

Shashank Sinha
Managing Director

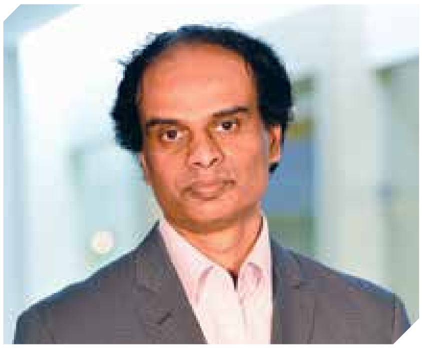
Badree Komandur
Executive Director

Global Leadership **Council**



Lakshminarayanan. A
Chief Information Officer

Umesh Kale
Chief Quality Officer



Badree Komandur
Executive Director

Subodh Marwah
Group President, CHC

Rahul Maitra
Chief Human Resources Officer

Ramaraju P. V. S.
Chief Operations Officer

Sunil Nadkarni
Chief Technical Services Officer

Shashank Sinha
Managing Director

Management Discussion and Analysis

Industry structure and development

Global economy

Encouraging global economic growth since summer 2016 is starting to add up to a brightening global outlook. With robust financial markets and a long-awaited cyclical improvement in manufacturing and trade, global growth is expected to touch 3.5% in 2017 and 3.6% in 2018 (Source: IMF).

The US economy is putting up a good performance as US firms grow more confident of future demand. The economy has also recorded a lower rate of unemployment. The British economy also saw a rise in domestic demand following Brexit. After a prolonged period of grappling with challenges, Eurozone's economy is also seeing a robust domestic demand-led recovery in the second half of 2016. If these tailwinds continue, the global economy may pick up steam over the medium term. However, major structural impediments (low productivity growth and high-income inequality) continue to hold back a stronger recovery, especially over the medium term in advanced economies.

At the other end of the spectrum are the emerging markets and developing economies, which have grown in importance in the global economy in recent years. They now account for over 75% of global growth in output and consumption, almost double their share in the last two decades. According to the IMF, significant income gaps in these economies vis-à-vis those in advanced economies suggest a significant headroom for growth. This suggests that emerging markets and developing economies have a strong potential for growth over the medium term.

During 2016-17, emerging market and developing economies (EMDEs) showed interesting diversity:

- Stronger than expected growth in China, supported by continued policy stimulus.
- Weaker than expected activity in some Latin American countries (Argentina, Brazil and Turkey) which faced a sharp contraction in tourism revenues.
- Better than expected activity in Russia, in part reflecting firmer oil prices.

Global growth pattern

(%)

	2015	2016	2017 (P)	2018 (P)
World Output	**3.2**	**3.1**	**3.4**	**3.6**
Advanced Economies	**2.1**	**1.7**	**2.0**	**2.0**
United States	2.6	1.6	2.3	2.5
Euro Area	2.0	1.7	1.7	1.6
Japan	1.2	1.0	1.2	0.6
United Kingdom	2.2	1.8	2.0	1.5
Other Advanced Economies*	**2.0**	**2.2**	**2.3**	**2.4**
Emerging and Developing Economies	**4.1**	**4.1**	**4.5**	**4.8**
China	6.9	6.7	6.6	6.2
Sub-Saharan Africa	3.4	1.4	2.6	3.5

P: Projections *(Excludes the G7 - Canada, France, Germany, Italy, Japan, United Kingdom, United States and euro area countries) (Source: International Monetary Fund)

Indian economy

India has become the world's sixth largest manufacturing country, rising from the previous ninth position, and thus retaining its bright spot in the global economic landscape. India grew by 7.1% in FY 2016-17 owing to low food prices, robust policy reforms and improved investor confidence.

In FY 2016-17, the government announced the demonetisation of high value notes. The entire process was aimed at curbing corruption, counterfeiting, terrorist activities and accumulation of black money. In the long-term demonetisation is expected to lead to higher GDP growth, better tax compliance and greater tax revenues by reducing corruption, laying emphasis on greater digitalisation of the economy, increasing flows of financial savings, and ensuring greater formalisation of the economy.

The Goods and Services Tax (GST) Bill is expected to be implemented by 1 July, 2017; and it is likely to lead to spurring growth, competitiveness, indirect tax simplification and greater transparency. Apart from widening of the tax net, GST will also contribute significantly to the GDP.

Going forward, India's growth is expected to rise to around 7.5% in 2017-18, driven by robust private consumption and significant domestic reforms implemented by the government. The Government of India is pursuing several initiatives, such as Make in India, Digital India, Skill India, start-up India and so on to empower domestic manufacturing, create appropriate infrastructure, enhance digital literacy and create more employment opportunities.

Global pharmaceutical industry

The global medicine spending is projected to reach nearly US$ 1.5 trillion by 2021 on an invoice price basis, up nearly US$ 370 billion from the 2016 estimated spending level. Importantly, spending growth is slowing in 2016, declining from nearly 9% growth in 2014 and 2015 to just 4-7% CAGR over the next five years. The years 2014 and 2015 saw a short-term rise in growth owing to new medicines in hepatitis and cancer.

Most global spending growth, particularly in developed markets, will be driven by oncology, autoimmune and diabetes treatments where significant innovations are expected. The U.S. will continue as the world's largest pharmaceutical market and pharmerging markets will make up 9 of the top 20 markets. China will continue as the #2 market, a rank it has held since 2012.

Developed market spending growth will be driven by original brands, while pharmerging markets will continue to be fuelled by non-original products that make up an average 91% of pharmerging market volume and 78% of spending. New medicines increasingly are specialty in nature, and their share of global spending is expected to continue to rise from less than 20% ten years ago to 30% in 2016 and to 35% by 2021.

Source: IMS Market Prognosis, Sept 2016; QuintilesIMS Institute, Oct 2016

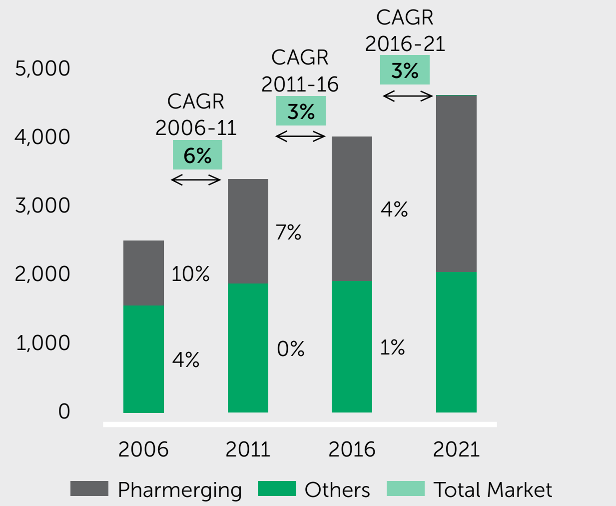
The volume of the use of medicines is projected to increase by a 3% compound annual growth rate globally in the next five years, compared to 6% from 2006-11 and 3% from 2011-16. The global volume will have increased from nearly 2.5 trillion doses of medicines (standard units) in 2006 to almost 4 trillion doses in 2016 with ¾ of that growth from pharmerging markets.

The rest of the world in aggregate, including developed countries and 190 other countries around the world, will see essentially unchanged per capita rates of medicine usage over the next five years. Pharmerging markets will continue to expand access and usage of medicines at around 4% annually, compared to a projected population growth rate of 0.8%.

People in pharmerging countries will consume more than half of the medicines used globally, consistent with more than half of the world's population who live there.

Global Medicine Volume Growth 2006-2021

(bn)



Source: IMS Market Prognosis, Sept 2016; QuintilesIMS Institute, Oct 2016

Regional spending

US$ bn

Regions	2016	2011-2016 CAGR	2021	2016-2021 CAGR
Developed	749.3	5.4	975-1,005	4-7%
Pharmerging	242.9	10.3%	315-345	6-9%
Rest of World	112.4	3.5%	130-160	3-6%
Global	1,104.6	6.2%	1,455-1,485	4-7%

Source: IMS Market Prognosis, Oct 2016

Spending and growth by region and product type in 2021

(%)

Source: IMS Market Prognosis, Sept 2016; QuintilesIMS Institute, Oct 2016

Notes: Spending Share point values for guidance, Growth estimates +/– 1.5%; Other Products includes OTC products and other non-categorised products

Key pharmaceutical markets

Developed markets

USA

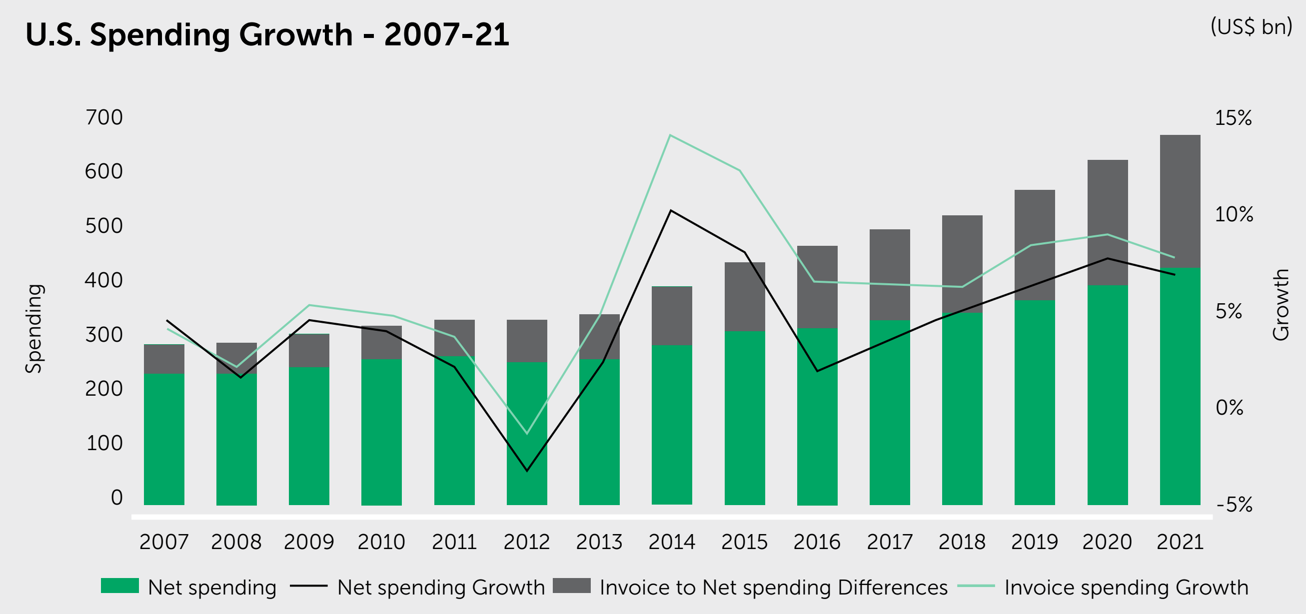
Growth in the U.S. medicine spending will slow by half in 2016 to around 6-7% from 12% in 2015. Medicine spending in the U.S. is decelerating since 2001. However, it rebounded sharply in 2014 and 2015 due to a lower level of patent expiry impact. The market was further buoyed by high prices of both branded and generic medicines.

Patient out-of-pocket costs are expected to decline, despite rising brand prescription costs. Patients shifting to newly available generics and receiving copy assistance for brands are the major causes for this decline. More than one third of prescriptions will have no out-of-pocket costs due to the emerging crusade of better healthcare facilities in the US.

Free prescriptions are a growing trend as some patients receive preventive services under the Affordable Care Act. Additionally, some patients are entitled for the expanded eligibility of Medicaid and some other insurance plans.

During 2016-17, the US President Donald Trump announced that he would repeal and replace Obamacare Act, bring back pharma jobs to the US and introduce a new bidding procedure for Medicare, the government-backed social insurance programme. Over the years, India's pharma industry has contributed significantly to contain and bring down healthcare costs in the US by supplying high-quality yet affordable generic drugs.

Considering the fact that India-made generics sometimes cost significantly less than branded drugs sold in the US, the Indian pharma industry is likely to be least affected by the anticipated policy changes.



Source: IMS Market Prognosis, Sept 2016; QuintilesIMS Institute, Oct 2016

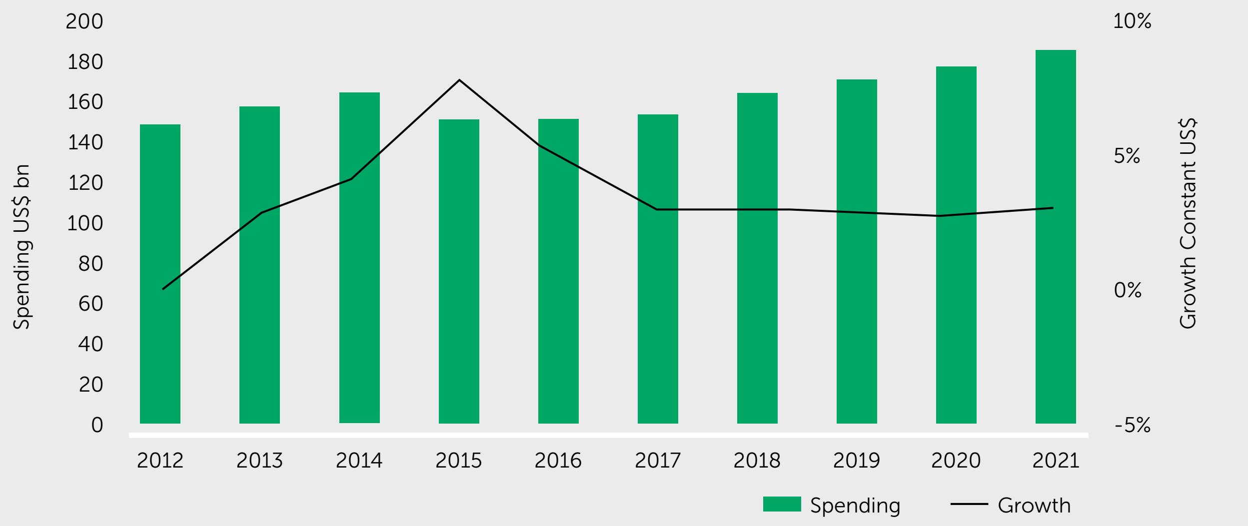
EU5

Growth in medicine spending in the top 5 European (Germany, France, Italy, Spain and the UK) markets will increase from US$ 151.8 billion in 2016 to US$ 170–200 billion in 2021, growing at around 1-4%.

Perhaps the most pressing question for European governments on issues outside pharma, revolves around BREXIT. After more than half-a-century of integration in Europe, including medicines-related institutions and practices, disentangling the U.K. from Europe is extremely complicated. While uncertainties persist, the impact on the U.K. pharmaceutical market is expected to be modest with a 1.5% slower growth rate.

The adoption of new medicines in Europe will be affected by budget concerns in implementing recent innovations and relatively weak economic growth. European governments manage spending on medicines through price and access controls. The trend is expected to continue in the forecast period too. Consequently, few medicines are considered breakthroughs in the region and thus, few achieve premium pricing. Most new launches face stringent price regulations in the European markets.

EU5 Countries Spending and Growth 2012–2021



Source: IMS Market Prognosis, Sept 2016; QuintilesIMS Institute, Oct 2016

Japan

Japan's pharmaceutical spending stood at around US$90.1 billion in 2016. It is estimated to grow at a CAGR of around 2% from 2016 to 2021 to reach US$ 90-94 billion by 2021. The country has a low growth trajectory, because significant government focus is on the price, associated volumes and overall spending on innovative medicines.

Australia

Australia's pharmaceutical market is set to grow marginally from US$13.5 billion in 2016 to US$ 13.5-16 billion by 2021, registering a compound annual growth rate of 0-3%. This growth will be driven by good market access to pharmaceutical drugs, higher generic penetration, increasing awareness of the need for the early detection of lifestyle and chronic diseases, the subsidised cost of prescription medicines through the Pharmaceutical Benefits Scheme (PBS) for all eligible patients, and the annual addition of new drugs.

Currently, Australia's pharmaceutical market represents a knowledge-based, technology-intensive industry, and is positioned to advance Australia's economic output and social wellbeing. The industry receives significant financial support from the government through the sale of medicines listed in the Pharmaceutical Benefits Scheme (PBS) and the R&D tax incentive.

Pharmerging markets

The pharmaceutical spending of markets stood at around US$ 242.9 billion in 2016. It is estimated to grow at a compounded annual growth rate (CAGR) of 6-9% during 2016-20 to reach US$ 315-345 billion by 2021.

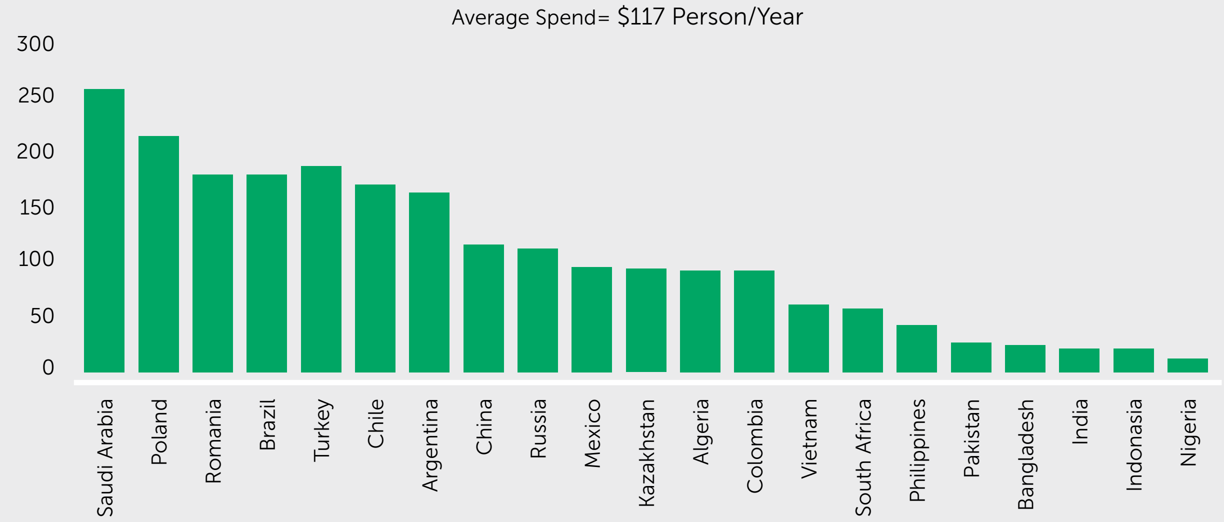
Pharmerging market pharmaceutical spending

US$ bn

Region/Country	2016	2011-2016 CAGR	2021	2016-2021 CAGR
Pharmerging	**242.9**	**10.3%**	**315-345**	**6-9%**
China	116.7	12.4%	140-170	5-8%
Tier 2	55.8	11.4%	75-85	8-11%
Brazil	26.9	11.3%	32-36	7-10%
Russia	11.6	10.5%	14-18	5-8%
India	17.4	12.5%	26-30	10-13%
Tier 3	61.5	6.5%	82-86	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, Saudi Arabia and Russia)

Pharmerging countries medicines spend per capita in 2021



Source: IMS Market Prognosis, Sept 2016; QuintilesIMS Institute, Oct 2016

Note: Spending per capita, per capita growth and overall spending growth in Constant US$

China

China became the second largest global pharmaceutical market in 2012, passing Japan which had been the number two market since 1975. The country continued to grow at double-digit growth rates until 2015, when it slowed to 5.6% following a series of price cuts. China is expected to grow at a more modest 5-8% rate till 2021, when it will reach US$140-170 billion.

Africa

Africa's pharmaceuticals market is expected to reach US$ 45 billion in 2020. This growth is driven by a convergence of changing economic profiles, rapid urbanisation, increased healthcare spending and investment, and growing incidence of chronic lifestyle diseases. (Source: Frost & Sullivan).

The continent is in a transition on its way to achieving adherence to global standards, such as the WHO pre-qualification for manufacturing. Local production is regarded as a key strategy for sustained access to quality-assured medicines for the long-term. Healthcare coverage is expected to expand to a greater proportion of the population through National Health Insurance (NHI) initiatives, as well as through memberships with private health insurance providers, particularly among the emerging middle class.

South Africa continues to hold a position of importance for pharmaceutical manufacturing in sub-Saharan Africa. However, the local manufacturing markets in East and West Africa are relatively well developed and positioned to grow. There is a paradigm shift emerging from the lower end to the higher end of adoption of complex formulations in line with treatment guidelines, especially in HIV and AIDS and NCDs.

India

India's pharmaceutical sector accounts for about 2.4% of the global pharmaceutical industry in value terms and 10% in volume terms. The country's pharmaceutical industry is expected to expand at a CAGR of 12.89% over 2015-20 to reach US$ 55 billion. Generic drugs form the largest segment of Indian pharma market and offers immense potential for growth in future. By 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and sixth largest market globally in absolute size. Growing middle class households, coupled with the improvement in medical infrastructure and increase in the penetration of health insurance in India will also influence the growth of pharmaceuticals sector.

Market for innovators

Innovation in specialty medicines will continue to lift the share of global spending from 30% in 2016 to 35% in 2021, driven by the adoption of breakthrough medicines. While specialty medicines will continue to increase its share in developed markets, and approach half of medicine spending in the U.S. and EU5, in pharmerging markets specialty medicines will continue with 5-20% of total medicines spending. Growth of specialty medicines will be constrained by cost and access controls and a greater focus on assessments of value.

Generics market

Globally, the market has been propelled by initiatives of governments to promote generic drugs. The Government seeks to promote the use of generic drugs against chronic diseases. Patent expiration of branded drugs is one of the key influencers for the growth and prime reason for generating more revenue for the generic drugs market.

Moreover, new emerging markets of developing countries and the low cost of generic drugs are majorly responsible for the growth of the generic drugs market. Going forward, emerging and unexplored markets may be responsible for creating new opportunities.

About Strides Shasun

Strides Shasun is a vertically integrated global pharmaceutical company. It operates across two business verticals in regulated markets and emerging markets.

The Company has global manufacturing footprint with nine manufacturing facilities spanning three continents, including seven USFDA approved facilities and two facilities for the emerging markets. It has two dedicated R&D facilities in India with global filing capabilities and a strong commercial footprint across 100+ countries.

Paving the way for Strides Shasun Version 2.0

After exiting the injectable business in 2013, the Company completed several strategic corporate actions with a clear focus to build a vertically integrated, consumer focused global formulations business. Today, the Company's core business is focused on B2C frontend, driven across regulated and emerging markets.

The building blocks of Strides Shasun Version 2.0 has been put in place by the Company over the last couple of years. This has given us critical size and helped position ourselves as a well-diversified, fully integrated, consumer-facing formulations player with a bias towards regulated markets.

The regulated markets business has a front-end presence across Australia, the US and the UK. The business will be complemented by four USFDA approved facilities in India, Europe and Singapore (proposed facility under construction) and three R&D centres with a team strength around 400 members focused on developing an integrated portfolio targeting 15-20 ANDA filings annually.

The emerging markets business comprise front-end focused markets of Africa and India and donor funded programmes under the institutional franchise. While the branded generics business in Africa continues its growth trajectory, the 'In Africa for Africa' manufacturing strategy is getting consolidated under the recently acquired facility of Universal Corporation in Kenya. This facility will also cater to the global donor funding programmes, given their bias now towards local procurement through a WHO approved facility.

Strides 2.0 value creation paradigm

Strong business foundation	Steady growth through execution	Steady returns to the stakeholders
• Integrated B2C platform with integrated development capabilities for formulations and API and in-house research centres	• Expanding portfolio range with addition of differentiated and limited competition products	• Focus on generating operating leverage
• Capabilities in multiple delivery technologies and dosage formats	• Leveraging a strong 'go to market' capability to expand distribution network across Australia, the US and the UK	• Identifying new growth avenues to deliver sustainable growth
• Front-end presence across key regulated and emerging markets	• Building portfolio of strong brands across emerging markets	• Enhancing shareholders return with an improved Return on Equity (ROE)

Regulated markets

USA

The US business comprises front-end business operated through our subsidiary, Strides Pharma Inc. Our focus is on limited competition products in niche and difficult-to-manufacture domains. We have a portfolio of 67 filed ANDAs with 38 approvals.

Our key products have captured leadership position: Carisoprodol: >90%, #1 in market, Vancomycin: >50% (#1 in market), Ergocalciferol: >40% (#1 in market), Ranitidine: >21% (#3 in market) and Methoxsalen: around 30% (#3 in market). We also achieved over US$100 million sales within a short period.

Opportunity landscape

- Over US$ 380 billion market for generics with patent expiry of brands worth US$ 87 billion in the next 5 years
- Indian generics have 40% of volumes in the US market
- Regulatory overhang paving the way for fully compliant and integrated players
- New GDUFA guidelines accelerating entry of new players and products

Growth focus

- We have a strong R&D capability leveraging API and FDF to develop integrated products
- We are future ready, having mirrored facilities with integrated capabilities across dosage forms
- We are leveraging front-end capabilities to go direct to market with reduced reliance on marketing partners

Australia

We re-entered the Australian market in a leadership position during the FY 2015 with the acquisition of generics portfolio from Aspen Pharmacare Holdings Limited (Aspen). Today, we are placed among the top two players in terms of volumes; and among the top three players in terms of revenue. Moreover, we enjoy a nation-wide sales presence, driving distribution and loyalty in generics and proprietary chemist's own portfolio.

Opportunity landscape

- Top four generic players, including Arrow (Strides) and wholesalers control 85% of the market
- Pharmacy ownership to stay independent by law
- Changes in PBS reimbursements and regulations, driving the expansion of the generics market

Growth focus

- We signed a 10-year exclusive distribution agreement with Sigma, largest wholesale distributor.
- We are facilitating new product development, including drugs going off-patent through the acquisition of generic partners.
- We are increasing loyalty and substitution at individual Pharmacy levels through Pharmacy Alliance.

European Union

We have registration capability for regulatory markets of Europe, including UK. We have a diversified portfolio, including Rx soft gelatin capsules, sachets and oral solids in wide-ranging therapies. Our UK presence is driven by front-end business, which primarily involves supplying generics to hospitals approved by the National Health Service (NHS) and over-the-counter (OTC) products through retail outlets in the UK.

Opportunity landscape

- The European pharmaceutical market is likely to be worth US$ 230 billion by 2021
- Growth expected on innovations in medicinal drugs across therapy areas, including multiple sclerosis, chronic heart failure, rheumatoid arthritis and Alzheimer's

Growth focus

- We are leveraging existing product portfolio of the US and Australia through portfolio maximisation strategy.
- We have manufacturing facilities with key EU approvals, including MHRA.
- We are also developing niche formulations portfolio in soft-gel capsules and oral liquids.

Key milestones of regulated markets, 2016-17

- Revenue from the division grew by 56% y-o-y to ₹ 17,762 Mn, representing 51% of total revenues.
- In the US, we scaled up our business with addition of new products and the base product portfolio has maintained or extended market share. Frontend performance was driven by improvement in market share for key products, including Dutasteride, Ergocalciferol, Methoxsalen. Ranitidine, the first integrated product approval from Strides Shasun that was commercialised successfully garnered 21% market share.
- Received six new product approvals - tentative approval for Efavirenz Tablet, two FTF approval for Roflumilast tablets and Fingolimod Capsules, approvals for Metronidazole Tablet, Ranitidine tablet and Polyethylene Glycol 3350, Powder for Solution (OTC).
- The Company has visibility of 15-20 product approvals for the North American market over the next 12 months across various dosage formats.
- Arrow Australia has launched a total of 20 new products and will continue to expand its product portfolio, including new products from its generic partners. Pharmacy Alliance has scaled up its coverage to 600+ pharmacies to emerge as Australia's largest buying group. With an expanding pharmacy coverage, focus is now on better compliance for Arrow products at store level. Backward integration of the product portfolio is expected to start yielding material savings from FY 2017-18.

Outlook

We will launch new products in the US and Australia. We will continue to focus on improving market share in the existing portfolio through better market coverage. Additionally, we will strengthen the OTC franchise and leverage the Chemist Own Brand at a global level.

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.

Africa

We currently have significant sales and manufacturing presence in over 40 countries across Sub-Saharan Africa. We have 250 local medical field force with a coverage of 30,000 doctors. We currently have 750 product registrations with a pipeline of 500+ product registrations. Being a local player, we enjoy a strong brand equity with doctors and the community.

Opportunity landscape

- Strong macro tailwinds with increased urbanisation, improving purchasing power and healthcare infrastructure
- Increasing incidences of chronic lifestyle diseases
- Market expected to reach US$ 44 billion by 2020
- Regulatory trend towards global standards, such as WHO pre-qualification for manufacturing

Growth focus
We are focusing on manufacturing consolidation under the WHO approved facility in Kenya and dedicated emerging market plant in India.

- We are a well-established player in West Africa.
- We are expanding our footprint in East Africa to strengthen the branded generic platform.
- We are also increasing the headcount for medical representatives to enhance reach.

India
We are a pan-India branded generics player. Our domestic portfolio includes established brands like Renerve, Raricap, Solus, Otogesic, Ehnorub, and Stugil. We have a field force of 750 medical representatives, covering 3,500 stockists and 80,000 doctors.

Opportunity landscape
- India's pharma market is estimated at US$ 17.3 billion and growing at 10%.
- The market is primarily dominated by anti-infective, cardiac sciences, gastro-intestinal, anti-diabetic and respiratory drugs.
- Life style drugs are witnessing high market growth.

Growth focus
- We are leveraging our pan-India footprint for cross-selling opportunities.
- We are improving sales force efficiency with focus on productivity.
- We are focusing on inorganic strategy in potential areas.

Key milestones of emerging markets, 2016-17
- Revenues from the division increased by 65% y-o-y to ₹6,330 Mn, representing 18% of total revenues.
- Successfully integrated Universal Corporation business in Kenya.
- Exited low margin generic manufacturing business in Africa
- Strengthened the branded generic platform with introduction of new products, addition of 50 medical representatives in Africa
- India brands business reported a tepid performance due impact of demonetisation and lower stocking level in the channel, ahead of GST rollout.
- Focus on leveraging a pan-india distribution network across the product portfolio and improving field force productivity

Outlook
We are focusing on new product launches and expanding distribution network. Moreover, we will facilitate local manufacturing of institutional products in Africa. At the same time, we will continue to drive pan-India prominence.

Institutional business
In the institutional business, we develop and manufacture drugs in the anti-retroviral, anti Hepatitis C and antimalarial segments for supply to institutionally-funded aid projects and global procurement agencies. Some of the agencies we cater to comprise 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). We have filed dossiers with product registrations across emerging markets.

Opportunity landscape
- Market opportunity of US$ 2.5 billion in terms of procurement
- Concentrated market with 5-6 key players holding majority of the business
- New treatment regimen attracting donor funding

Growth focus
- We are capitalising on WHO-approved manufacturing facility in Kenya for global donor agencies and local government tenders.
- We are consistently increasing collaboration for voluntary licensing.
- We have a robust delivery track record with superior supply chain execution

Key milestones of institutional business, 2016-17
- Revenues from the division declined by 5% y-o-y to ₹ 5,677 Mn, representing 16% of total revenues.
- Decline in institutional business is attributed to lower contribution from the anti-malarial portfolio.
- Initiated technology transfer of existing institutional products to WHO approved facility of Universal Corporation in Kenya; supplies are expected to commence in the second half of FY 2017-18.
- R&D focus on developing next-generation products in line with the evolving treatment regimens.

Outlook
We will launch bespoke product pipeline with access to latest innovator products for emerging markets. We will also drive significant scalability.

Active Pharmaceutical Ingredients (API)

During 2016-17, we announced our intent to demerge the commodity active pharmaceutical ingredients (API) business into a new entity Solara Active Pharma Sciences Limited (SAPS). As part of the scheme of arrangement, the Board of Directors of SeQuent Scientific Limited, a promoter group entity, has also approved de-merger of their Human API business to SAPS. The new API company, which be listed in NSE and BSE and will have five manufacturing sites, including three facilities approved by the US Food and Drug Administration (US FDA).

Key milestones of API, 2016-17

- Revenues from division decline 27% YoY to ₹ 5,336 Mn, representing 15% of total revenues.
- Portfolio rationalisation and increased captive consumption for the formulations helped deliver superior margins for the API business during the year.
- Scaled up filings for high entry barrier markets like Japan and Korea.

Biotech

We incorporated the bio-generics business (Stelis Biopharma) in 2013 as a fully-owned subsidiary of Strides Arcolab. Going forward, Stelis will pursue an independent growth strategy, given the B2B nature of its current business and high investment phase. Given the B2C strategy, Strides will cap its equity infusion for a significant minority stake. Strides will leverage value unlocking at a later stage when commercial revenue generation starts.

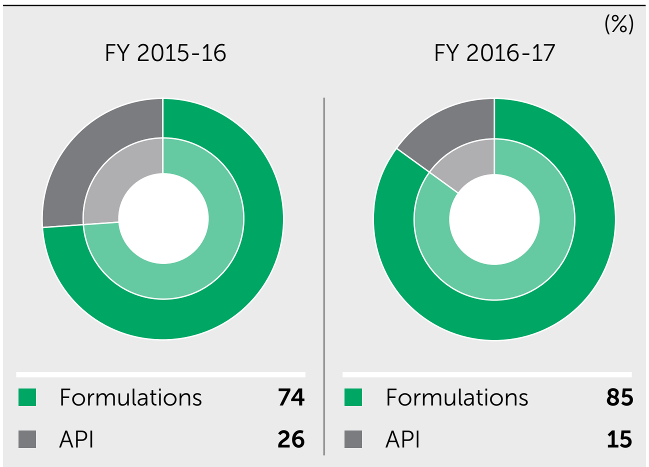
Financial Highlights

Consolidated

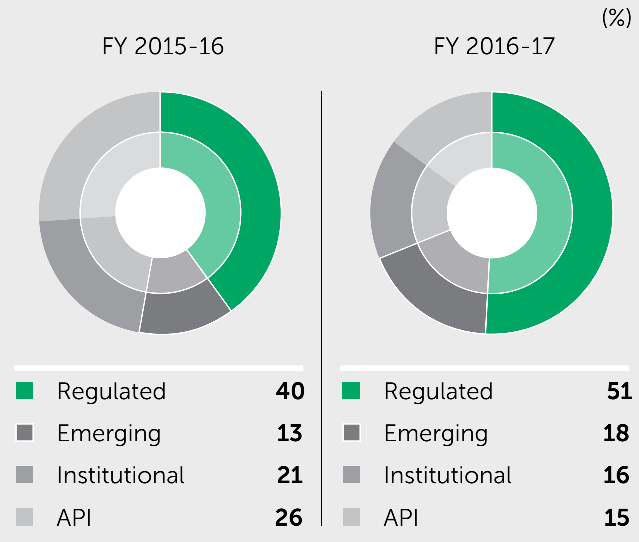
₹ in million

Particulars	2015-16	2016-17	Growth
Pharma Revenues	28,499	35,106	23%
Pharma EBITDA	5,417	7,230	33%
EBITDA Margin (%)	19	21	160 bps

Category-wise Revenue



Business-wise Revenue



Human assets

At Strides Shasun, our HR strategy is focused on attracting and retaining the best industry talent. Over the years, we have strengthened interventions in nurturing our people and promoting a performance-based culture. Our interventions include trainings to enhance skills and upgrade knowledge.

These interventions help us motivate our team and achieve organisational excellence. We provide leadership and managerial development trainings for improved performance of our team. Besides, we have several curriculum-based learning programmes to impart functional and behavioural skills that help our people to consistently enhance efficiency.

We promote employee-friendly HR policies to help keep the workforce motivated and aligned with the Company's vision. Moreover, we have a multi-cultural and diverse workforce and do not support any discrimination, based on the individual's background.

As on 31st March 2017, our team strength was over 5,800.

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 internal audit observations regularly.

Risk management

Risk identification and management is an ongoing process at Strides Shasun.

Risk identification	Risk definition	Risk mitigation
Regulatory risk	Divergence from regulatory requirements in manufacturing facilities and/or quality control measures may damage reputation and/or bring operations to a halt	• Consistent track record of approvals from all leading global regulatory authorities • Regular inspection of production facilities for compliance with current Good Manufacturing Practices (cGMP), and such compliance is assessed by the WHO and the U.S. FDA • Regular upgradation of audit procedures to comply with any changes in international regulatory requirements, such as those of the U.S. FDA or the MHRA (United Kingdom), ANVISA (Brazil) and TGA (Australia), among others
Research and Development risk	Absence of steady innovation in products and processes may impede growth	• R&D efforts directed towards innovative technologies, designed to expand our product portfolio • Dedicated R&D facilities located in India - Bengaluru and Chennai - with 500+ team strength • Filed application for 67 ANDAs in the United States, 135 filings in Europe and 18 PEPFAR filings and have 38 approvals for ANDAs in the United States, 106 approvals in Europe and 17 PEPFAR approvals
Operational risk	Interruptions in raw material supply and growing operational costs may reduce margins	• Long-term contracts with approved vendors (domestic and global) after stringent vendor audit will ensure supply of raw materials • Round-the-clock review mechanism to enhance optimum utilisation of operational facilities • Globally benchmarked manufacturing facilities, certified by the top world regulatory authorities for production efficiency
Quality risk	Lack of quality control in manufacturing may jeopardise reputation and expose us to litigation or other liabilities	• Range of quality assurance procedures devised and implemented • Quality control department ensures that materials received from our approved lists of vendors complies with internal standards and specifications
Market presence risk	Absence of right marketing approach may jeopardise product offtake and hamper growth	• Presence in approximately 100+ countries. • USA: Front-end presence selling products to key wholesalers • UK: Primarily supply generics to hospitals approved by the NHS and OTC products through retail outlets • Europe: Out-licensing agreements with key players for sales in the continent • Australia: Partnering Sigma (one of the largest pharmacy led network in Australia) allows us access to approximately 1,200 pharmacies • Africa and India: Significant field team to drive our branded generics business - currently, we have approximately 250 medical representatives in Africa; and approximately 750 medical representatives in India • 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
Information technology (IT) risk	Want of strong IT framework and infrastructure may influence business operations negatively	• Secured IT network, achieved by implementing firewall, intrusion prevention system (IPS), network segregation and end-point security solutions. • Routine validation check of business processes under the Good Manufacturing Practices (GMP).

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.

Board's Report

Dear Members,

Your Directors have pleasure in presenting the **Twenty-Sixth Annual Report** together with the Audited Financial Statements for the financial year ended 31st March, 2017.

1. Financial Summary (Standalone)

(Figures in Million)

		Year ended			
		March 31, 2017		March 31, 2016	
		Rupees	US$ *	Rupees	US$ *
1.1	**Financial Results**				
	Continuing operations				
	Income	22,859.35	352.44	23,305.14	351.72
	Operating Profit (EBIDTA)	4,579.61	70.61	3,787.45	57.16
	Net Profit (PAT)	1,227.68	18.93	1,319.33	19.91
	Reserves and Surplus	31,430.98	484.60	30,682.81	463.07
1.2	**Profits**				
	Operating Profit (EBIDTA)	**4,579.61**	**70.61**	**3,787.45**	**57.16**
	Less : Interest	1,147.41	17.69	1,026.22	15.49
	Depreciation & Amortisation	1,266.30	19.52	1,026.86	15.50
	Exceptional items incl. AS 30	784.58	12.10	267.98	4.04
	Profit before tax	**1,381.32**	**21.30**	**1,466.39**	**22.13**
	Less: Tax Expenses				
	Current tax expenses	124.97	1.93	327.12	4.94
	Current tax expense relating to prior years	(6.61)	(0.10)	(52.91)	(0.80)
	Deferred tax expenses	(124.50)	(1.92)	199.97	3.02
	MAT credit entitlement	159.78	2.46	(327.12)	(4.94)
	Profit after tax	**1,227.68**	**18.93**	**1,319.33**	**19.91**
	Discontinuing operations	(142.31)	(2.19)	(17.33)	(0.26)
	Total operations	**1,085.38**	**16.73**	**1,301.99**	**19.65**
	Other comprehensive income				
	Items that will not be reclassified to profit or loss	(94.13)	(1.45)	(3.34)	(0.05)
	Items that may be reclassified to profit or loss	130.75	2.02	32.69	0.49
	Total Other Comprehensive Income (net of tax)	**36.62**	**0.56**	**29.35**	**0.44**
	Total Comprehensive Income for the period	**1,122.00**	**17.30**	**1,331.34**	**20.09**
	Opening balance of Profit and Loss	3,276.90	50.52	329.61	4.97
	Pursuant to the Scheme of Amalgamation	-	-	1,913.54	28.88
	Available for appropriation	**4,362.28**	**67.26**	**3,545.14**	**53.50**
1.3.	**Appropriations**				
	Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets	-	-	(8.07)	(0.12)
	Dividend on Equity Shares				
	Interim Dividend Paid	-	-	(67.22)	(1.01)
	Final Dividend	(357.46)	(5.51)	(178.88)	(2.70)
	Dividend Tax				
	On Interim Dividend	-	-	(14.07)	(0.21)
	On proposed Dividend	(74.80)	(1.15)	-	-
	Balance carried to Balance Sheet	**3,930.02**	**60.59**	**3,276.90**	**49.46**

Note * 1 US$ = ₹ 64.86 (Exchange Rate as on March 31, 2017),
* 1 US$ = ₹ 66.26 (Exchange Rate as on March 31, 2016)

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

2. Business Overview

During the year under review, your Company registered 23% growth in headline revenues on the back of a strong performance in the regulated markets. EBITDA margin expanded +600 bps growing from 17% in Q1 to 23% in Q4, registering sequential growth quarter on quarter.

Performance in the regulated markets was especially gratifying in the face of headwinds being faced by the industry, especially in the US. Your Company is largely unaffected by these factors and infact has increased market share of its key products. In Australia, good progress has been achieved in consolidating our market position as one of the top 3 players, with expanding distribution base and a fuller product portfolio.

As you are aware, the Company is executing its Strides 2.0 strategy, transforming itself into a focused B2C player with a diversified portfolio. Over the past couple of years, your Company has gained scale and size as an integrated, diversified and customer facing Company with a wider international footprint.

During the year, important strategic decisions were taken to execute this strategy. Your Company exited non-strategic business, viz., the CRAMS business and the Africa Generics business. It also stepped away from management control of the biotech business and announced a decision to spin off the commodity API business. This has helped your Company sharpen its focus on building a B2C model under pinned by the highest level of quality compliance, source security of vertical integration, a differentiated R&D pipeline and front end presence in all key markets.

Performance of the Company during the year across various Markets:

Regulated Markets - Driven by North America and Australia

- Revenues stood at ₹ 17,762 Million, registering 56% growth over the last year.
- The business contributed to 51% of the Group revenue for the period ended March 31, 2017.
- North America delivered steady performance in FY'17 with sequential improvement in market share for key products including Dutasteride, Ergocalciferol, Methoxsalen.
- Pharmaceutical Benefit Scheme (PBS) impact, slower compliance and delay in backward integration impacted the performance during the year.
- 6 new product approvals received from US FDA in FY'17 which included tentative approval for Efavirenz Tablet, two FTF approval for Roflumilast tablets and Fingolimod Capsules, approvals for Metronidazole Tablet, Ranitidine tablet and Polyethylene Glycol 3350, Powder for Solution (OTC).

Emerging Markets

- Revenues stood at ₹ 6,330 Million, registering 65% growth over the later year.
- The business contribution stood at 18% of Group revenue for the period ended March 31, 2017.
- During the year, the Company exited from the Generic manufacturing business in Africa.
- The branded generics business and Universal Corporation business in Africa delivered a steady performance despite volatile currency environment. Added approx. 50 medical representatives in Africa for the branded business during FY'17.
- FY'18 is to focus on adding new products, expanding distribution network and improving field force productivity in Africa.
- India brands business reported tepid performance due to overall slowdown in the Indian Pharmaceutical Market including the impact of demonetization. Currently witnessing a trend towards lower stocking level in the channel ahead of the GST roll out.
- Focus on leveraging a pan India distribution network across the product portfolio and improving field force productivity.

Institutional Business

- Revenues stood at ₹ 5,677 Million, a decline of 5% over the previous year.
- The business contributed 16% of Group revenue for the period ended March 31, 2017.
- Decline in institutional business attributed to significantly lower contribution from Anti-Malarial portfolio during Q4 FY'17. While the Company has been able to maintain its market share, the overall funding to the donor programs has seen a decline. The ARV business continues to witness healthy traction.
- R&D focus on developing next generation products in line with evolving treatment regimens.

Pharmaceutical Services & Active Ingredients (PSAI)

- Revenues stood at ₹ 5,336 Million, a decline of 27% over the previous year.
- The business contributed 15% of Group revenue for the period ended March 31, 2017.
- During the year, significant steps were taken to improve the quality of API business including revamping of API facilities in Puducherry and Cuddalore, rationalization of product mix and focusing on improving the customer base.

- Portfolio rationalisation and increased captive consumption for the formulations helped deliver superior margins for the API business during the year.
- Scaled up filings for high entry barrier markets like Japan and Korea.

Pharma R&D

- The R&D set up gained momentum with 9 filings in FY' 17.
- Significant scale up in R&D investments during FY' 17 to build the future product pipeline.
- R&D spend for FY' 17 at ₹ 1,361 Million against ₹ 757 Million in FY' 16, up 80 % YoY.
- 32 ANDA filings pending approval from USFDA.

Manufacturing Infrastructure

- Four manufacturing facilities - the formulation facilities in Bengaluru and Puducherry, the API facility at Cuddalore and Puducherry, were inspected by the USFDA over the last twelve months and all the facilities were cleared without any observations.
- Singapore formulation facility for regulated markets is expected to go on stream in H2 FY'18.
- Signed definitive agreements with Vivimed Labs Ltd to enter into 50:50 Joint Ventures for its USFDA formulations facility at Alathur, Chennai. The Joint Venture will provide access to additional capacities to the tune of 1.5 billion tablets/ capsules per annum and a strong product pipeline. This Joint Venture will also help in de-risking of manufacturing base.

Corporate Actions

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

Acquisitions and Joint Ventures:

1) **Acquisition of Pediacare® from Moberg Pharma, Sweden**

Strides Arcolab International Limited, UK ("SAIL UK"), the Company's wholly owned subsidiary, acquired "Pediacare®" brand and marketing rights from Moberg Pharma AB (publ), Sweden, ("Moberg") for a total consideration of USD 5 Million plus inventory at actuals.

Pediacare® is an established cough, cold and allergy brand with annual sales of approx. USD 6 Million. The brand has about 15 Stock Keeping Units ("SKU") and is registered in 32 countries including US and also under the Madrid Protocol. The acquisition strengthens the OTC segment of the Group and the existing brands portfolio acquired from Moberg during the last year. The transaction achieved closure in December 2016.

2) **Acquisition of Strides Chemicals Private Limited (formerly known as 'Perrigo API India Private Limited')**

The Company acquired 100% stake in Strides Chemicals Private Limited ("Strides Chemicals"), effective April 6, 2017. Strides Chemicals is a company based out of Ambernath, Maharashtra and has a US FDA approved API manufacturing facility, which will manufacture all strategic APIs primarily used for captive consumption and will augment the Company's resources to handle high velocity of new product development and commercial launches in the formulations portfolio. The facility has a potential capacity of 600 tons per year and had zero 483s during its last US FDA inspection in the year 2013.

3) **Joint Venture with Vivimed Labs Ltd.**

The Company has signed definitive agreements with Vivimed Labs to set up two Joint Venture Companies, which are as under:

- The 50:50 Joint Venture Company in India will own the US FDA approved formulation facility in Alathur, Chennai; and
- The 50:50 Joint Venture Company in Singapore will be held through Strides Pharma Global Pte. Limited, Singapore, a step down wholly owned subsidiary of the Company, which will own intellectual property rights, certain approved ANDAs and product line.

The Joint venture will provide access to additional capacities to the tune of 1.5 billion tablets/ capsules per annum and a strong product pipeline. This Joint Venture will also help de-risking of manufacturing base.

4) **Joint Venture in Mexico**

Strides Pharma Global Pte Limited, Singapore ("SPG"), a step down wholly owned subsidiary of the Company entered into definitive agreements with Mr. Mike Padvaiskas, a Partner in Mexico to set up a joint venture company in Mexico ("Mexican Subsidiary") in August 2016, which will focus on branded generics, OTC products and tender business in Mexico and other Latin American territories. SPG shall hold 80% stake in the Mexican Subsidiary and the remaining 20% shall be held by Mr. Mike Padvaiskas.

Divestments/ Hive offs

1) **Exit from Probiotic Business**

Effective March 31, 2017, the Company exited from the Probiotics Business, which was acquired in December 2015 from Medispan Limited ("Medispan"), through its subsidiary, Strides Biologix Private Limited.

Considering that the business had not been able to achieve the intended strategic objectives and milestones, the Board of Directors of the Company decided to hive off the business.

The business was sold to Higher Pharmatech Private Limited, a Promoter Group entity, for an aggregate consideration of ₹ 5.75 Crores.

2) Hive-off of Africa Generics Business

Effective March 30, 2017 the Company has hived off the generic pharmaceutical products manufacturing and distribution business in Africa ("Africa Generics Business") as a Management Buyout to Africure Pharmaceuticals Limited, Mauritius ("Africure"), a company owned by Mr. Sinhue Noronha, the erstwhile CEO of Africa business.

The Company's earlier strategy focused on catering the generics business through multiple boutique manufacturing facilities spread across sub Saharan Africa. However, with change in regulatory landscape and growing funding needs for the African markets, the Company decided to hive off the Generics Business in Africa. The said business was conducted through Strides Pharma (Cyprus) Limited, Cyprus ("SPCL"), a second level wholly owned subsidiary of the Company and various African subsidiaries of SPCL. Pursuant to the above transaction:

a) SPCL hived off the said business (including the manufacturing facilities and assets relating to generics business) as a Management Buyout for a total consideration of approx. USD 9.921 Million. The said business was acquired by Africure.

SPCL has agreed to receive the sale consideration for the above transaction in three tranches, the last tranche being March 31, 2018.

The entities which were hived off as part of the above transaction were:

1) Strides Pharma Namibia Pty. Ltd
2) Strides Pharma Cameroon Ltd
3) Strides Vital Nigeria Ltd, excluding the Brand business
4) Strides Pharma Botswana (Pty) Ltd
5) Strides Pharma Mozambique SA
6) Societe De Repartition Pharmaceutique (Sorepharma)
7) African Pharmaceutical Development S.A (APHAD)
8) Congo Pharma SPRL

b) Business sale: Manufacturing Facility situated at Palghar, Mumbai

As part of the Africa Generics Business hive off, the Company also sold the business conducted at the Palghar, manufacturing facility in Mumbai to Africure Pharmaceuticals India Private Limited, India, along with all assets, inventory and employees. The consideration for this transaction was ₹ 4.55 Crores and the closure of the transaction was effected on March 31, 2017.

c) Share sale to co-promoter in Sudan entity:

As a part of the Africa Generics Business Divestment, SPCL also divested its 51% stake in Pharmacare Laboratories Co Ltd., Sudan ("Pharmacare Sudan") to Therapeka Limited, which held the balance 49% stake in Pharmacare Sudan for an aggregate consideration of USD 3.125 Million. The said transaction achieved closure on 31st March 2017, and SPCL has agreed to receive the sale consideration for the said transaction in three tranches, the last tranche being March 31, 2018.

3) Hive off of the Commodity Active Pharmaceutical Ingredients (API) Business

The Board of Directors in their meeting held on March 20, 2017 approved the proposal to demerge the Commodity API Business, into SSL Pharma Sciences Limited (subsequently renamed as 'Solara Active Pharma Sciences Limited' ("Solara"), a wholly owned subsidiary of the Company.

As part of the Scheme of Demerger, the Human API business of SeQuent Scientific Limited (a promoter owned listed company) is also proposed to be carved-out into Solara, providing critical size to this business.

This combination will catapult Solara to be one of the largest standalone API companies in the country. It will have a portfolio of DMF filings to start with and will be complimented by 5 manufacturing sites (including 3 US FDA approved facilities) having key global regulatory approvals. Solara will also be listed on the Indian Stock Exchanges.

The appointed date for the Scheme of De-merger will be October 1, 2017.

The transaction has been approved by the Board of all the companies that are party to the Scheme and is further subject to approval from respective Shareholders', Regulators and meeting other customary and/ or statutory closing conditions.

The share entitlement ratio for the Scheme of Demerger is as under:

1) For demerger of Commodity API business: 1 equity share of ₹ 10/- each of Solara for every 6 fully paid up equity shares of ₹ 10/- each held in Strides.

2) For demerger of Human API business: 1 equity share of ₹ 10/- each of Solara for every 25 fully paid up equity shares of ₹ 2/- each held in Sequent.

4) Capping of Strides Investment in Stelis Biopharma

Stelis Biopharma, which is focused on developing a portfolio of biosimilars, was acquired by the Company in 2012.

The total funding in Stelis, so far, has been USD 32.30 Million, of which the Company has invested USD 22.10 Million and GMS Holdings ("GMS"), a strategic partner, has invested USD 10.20 Million. Consequent to these investments, Company owns a stake of 74.90% and GMS owns 25.10% stake in Stelis.

With the stated intent of the Company to focus on front-end B2C businesses, the Company does not plan to have any further investments in any of its B2B businesses.

Considering the same, after an exhaustive evaluation of various options related to the Biotech business, the Board of Directors of the Company have decided to cap the Company's investment in Stelis at USD 22.10 Million (already invested by the Company), which was approved by the Shareholders on March 22, 2017.

Consequent to the above, effective March 31, 2017, the Company has capped its investment in Stelis Biopharma at USD 22.10 Million.

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

The Authorized Share Capital of the Company as at March 31, 2017 was ₹ 1,767,500,000/- divided into 176,750,000 equity shares of ₹ 10/- each.

The Issued, Subscribed and Paid-up Share Capital of the Company as at March 31, 2017 was ₹ 894,230,060/- divided into 89,423,006 equity shares of ₹ 10/- each.

During the period under review, there has been an increase in the Paid-up Equity Share Capital of the Company on account of allotment of 77,028 equity shares consequent to exercise of stock options.

4. Dividend

Your Directors are pleased to recommend a Dividend of ₹ 4.50/- (Rupees Four and Fifty Paisa Only) per equity share of face value of ₹ 10/- each for the financial year ended March 31, 2017, subject to the approval of the shareholders at the ensuing Annual General Meeting.

5. Deposits

The Company has not accepted any deposits and as such, no amount on account of principal or interest related thereto was outstanding as on the date of the Balance Sheet i.e., March 31, 2017.

6. Subsidiary, JVs and Associate Companies

As at March 31, 2017, the Company had 40 subsidiaries overseas and 7 subsidiaries in India and 4 overseas Joint Ventures and 3 Associate Companies in India. List of subsidiaries/ JVs/ Associates which have become or ceased to be part of the Company is enclosed 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

The Company has 3 ESOP Schemes viz., Strides Arcolab ESOP 2011, Strides Arcolab ESOP 2015 and Strides Shasun ESOP 2016 Schemes.

Statement giving detailed information on stock options granted to Employees under the Company's Employee Stock Option Schemes as required under the SEBI Regulation is enclosed as **Annexure 3** to this Report.

10. Board of Directors & Key Managerial Personnel

The Company has completed several organic and inorganic strategies to put in place pivots for future growth. To guide the management team in rolling out the future strategies predominantly directed towards B2C businesses, the Board was reconstituted as under, effective May 18, 2017:

1. Mr. Arun Kumar, Founder and Executive Vice Chairman moved to a Non-Executive position and as Chairman of the Board. He will continue to provide strategic inputs to the management;
2. Mr. Homi Rustam Khusrokhan was appointed as Independent Director;
3. Mr. Shashank Sinha, Group CEO of the Company was appointed as Managing Director;
4. Mr. Badree Komandur, Group CFO of the Company was appointed as Executive Director; and
5. After long and distinguished association with the Company Mr. M.R. Umarji, Non-Executive Director, Mr. P.M. Thampi and Mr. A. K Nair, Independent Directors of the Company, Mr. Abhaya Kumar, Promoter and Executive Director of the Company relinquished their Board positions.

Post the above reconstitution, the Board Composition effective May 18, 2017 is as under:

#	Name of the Director	Designation
1	Arun Kumar	Non-Executive Director & Chairman of the Board
2	Deepak Vaidya	Non-Executive Director
3	Sridhar S	Independent Director
4	Bharat Shah	Independent Director
5	Sangita Reddy	Independent Director
6	Homi Rustam Khusrokhan	Independent Director
7	Shashank Sinha	Managing Director
8	Badree Komandur	Executive Director

Appointments/ Inductions

a) Mr. Homi Rustam Khusrokhan has been appointed as an Independent Director (Additional Director) of the Company effective from May 18, 2017, who shall hold office till the conclusion of the ensuing Annual General Meeting of the Company.

Your directors recommend his appointment as an Independent Director of the Company for a period of five consecutive years effective from May 18, 2017, not liable to retire by rotation.

b) Mr. Shashank Sinha has been appointed as Managing Director (Additional Director) of the Company effective from May 18, 2017, who shall hold office until the date of the ensuing Annual General Meeting of the Company.

Your Directors recommend his appointment as Managing Director of the Company for a period of 3 years with effect from May 18, 2017, liable to retire by rotation.

c) Mr. Badree Komandur has been appointed as an Executive Director (Additional Director) of the Company effective from May 18, 2017, who shall hold the 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 May 18, 2017, liable to retire by rotation.

The Company has received requisite notices together with necessary deposits from the member proposing the election of Mr. Homi Rustam Khusrokhan, Mr. Shashank Sinha and Mr. Badree Komandur as Directors of the Company pursuant to Section 160 of the Companies Act, 2013.

Resignations

a) Mr. Abhaya Kumar resigned as Executive Director/ Whole-time Director of the Company with effect from May 18, 2017.

b) Mr. P. M Thampi and Mr. A K Nair resigned as an Independent Directors of the Company with effect from May 18, 2017.

c) Mr. M. R Umarji resigned as Non-Executive Director of the Company with effect from May 18, 2017.

The Board places on record its appreciation for the services rendered by each Directors during their tenure with the Company.

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 and represents an optimal mix of professionalism, knowledge and experience.

Pursuant to Board reconstitution, as on date of this Report, the Board comprised of 8 Directors comprising of 2 Executive Directors, 4 Independent Directors and 2 Non-Executive Directors. Chairman of the Board is Non-Executive.

The details of each members of the Board as on the date of this report forms part of Corporate Governance Report.

Retirement by Rotation

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.

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

Meetings of the Board

During the year under review, the Board met 7 times. These meetings were held on May 16, 2016, August 17, 2016, October 28, 2016, November 7, 2016, December 15, 2016, February 3, 2017 and March 20, 2017. 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 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.

Performance evaluation criteria for each category of the Directors is part of the Board Evaluation Policy.

Key Managerial Personnel's (KMPs)
As at March 31, 2017, the following were the KMP's of the Company:

- Mr. Arun Kumar, Managing Director
- Mr. Abhaya Kumar, Executive Director
- Mr. Shashank Sinha, Group CEO
- Mr. Badree Komandur, Group CFO & CS
- Ms. Manjula Ramamurthy, Company Secretary (Appointed w.e.f February 3, 2017)

Consequent to the Board Reconstitution of the Company effective May 18, 2017, KMPs of the Company as on the date of this report are as under:

- Mr. Shashank Sinha, Managing Director;
- Mr. Badree Komandur, Executive Director; and
- Ms. Manjula Ramamurthy, Company Secretary

11. Particulars of Employees

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as **Annexure 5**, forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Companies Act, 2013, 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.

A detailed Annual Report on CSR activities undertaken during the financial year 2016-17 is enclosed as **Annexure 6** to this Report.

13. Whistle Blower Policy

The Company has a Whistle Blower Policy in place as part of its vigil mechanism. The Policy provides appropriate avenues to the directors, employees and stakeholders of the Company to make protected disclosures in relations to the matters concerning the Company. Protected Disclosure are appropriately dealt with by the Whistle Officer or the Chairman of the Audit Committee.

The Policy is also available 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, 2017, 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. Loans, Guarantees or Investments

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. (45) to the Standalone Financial Statements in the Annual Report.

18. 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 AOC - 2 is not part of this report. However, transactions with related parties are disclosed in Note no. (45) 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 promoters, the directors or the management, their subsidiaries or 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 the Board's Report.

21. Conservation of Energy, R&D, Technology Absorption and Foreign Exchange Earnings/ Outgo

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

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 enclosed as **Annexure 9** to the Board's Report. There are no qualifications, observations or adverse remarks in the Secretarial Audit Report.

23. Audit Report

There are no qualifications, observations or adverse remarks in the Audit Report issued by the Statutory Auditors of the Company for financial year ended March 31, 2017.

24. Statutory Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013, a listed company shall appoint/ re-appoint an Audit Firm as Statutory Auditor for not more than two terms of 5 consecutive years. At the time of giving effect to the above Section, a transition period of 3 years was granted for the Company and the Audit Firms to comply with these provisions.

M/s. Deloittee Haskins & Sells, Chartered Accountants ("Deloitte") are associated with the Company for about 18 years. In line with the above provisions, Deloitte were appointed as Statutory Auditor for a period of 3 years from FY' 2014-15. Deloitte is due for retirement at the ensuing AGM of the Company.

The Board of Directors of the Company had recommended the appointment of M/s B S R & Co. LLP, Chartered Accountants (Firm Registration no. 101248W/ W-100022), Chartered Accountants as Statutory Auditors of the Company for a period of 5 years from the conclusion of the 26th AGM till the conclusion of the 31st AGM of the Company to be held in the Financial Year 2021-22, subject to ratification of appointment at every AGM of the Company.

25. Cost Auditors

The Board of Directors of the Company has appointed M/s. Rao, Murthy & Associates, Cost Accountants, (Firm Registration No.: 000065) as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2016-17.

26. 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 and loss of the Company for that period;

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

(d) the 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.

27. 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 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: August 11, 2017
Place: Bengaluru

Shashank Sinha
Managing Director

Arun Kumar
Chairman

Annexure 1

Details of Subsidiaries

Part A - Entities incorporated in FY 2017

Sl. No.	Name of the Entity	Incorporation Date
1	Solara Active Pharma Sciences Limited (formerly, SSL Pharma Sciences Limited)	February 23, 2017
2	Strides Consumer Private Limited	March 6, 2017
3	Strides Shasun Latina Sa De CV, Mexico	August 23, 2016
4	Oraderm Pharmaceuticals Pty Ltd, Australia	June 6, 2016

Part B - Entities that became part of Strides Group in FY 2017

Sl. No.	Name of the Entity	Effective Date
1	Universal Corporation Limited, Kenya	May 1, 2016
2	Regional Bio Equivalence Centre S.C., Ethiopia (held through Universal Corporation Limited, Kenya)	May 1, 2016
3	Generic Partners (Canada) Inc, Canada	August 11, 2016
4	Generic Partners (International) Pte Ltd, Singapore	August 11, 2016
5	Generic Partners (M) Sdn. Bhd, Malaysia	August 11, 2016
6	Generic Partners (NZ) Limited, New Zealand	August 11, 2016
7	Generic Partners (South Africa) (Pty) Ltd, South Africa	August 11, 2016
8	Generic Partners Holding Co Pty Ltd, Australia	August 11, 2016
9	Generic Partners Pty Ltd, Australia	August 11, 2016
10	Generic Partners UK Ltd, UK	August 11, 2016
11	Smarterpharm Pty Ltd, Australia	January 23, 2017

Part C - Entities divested during the FY 2017

Sl. No.	Name of the Entity	Effective Date
1	Sterling Pharma Solutions Limited, UK (formerly Shasun Pharma Solutions Ltd, UK)	September 30, 2016
2	Strides Biologix Private Limited	March 31, 2017
3	Strides Vital Nigeria Limited, Nigeria	March 30, 2017
4	Strides Pharma Namibia (Pty) Ltd, Namibia	March 30, 2017
5	Strides Pharma Botswana (Proprietary) Limited, Botswana	March 30, 2017
6	Strides Pharma Cameroon S.A , Cameroon	March 30, 2017
7	African Pharmaceutical Development (APHAD), Cameroon	March 30, 2017
8	Strides Pharma Mozambique SA, Mozambique	March 30, 2017
9	Societe De Repartition Pharmaceutique (Sorepharm SA), Burkina Faso	March 30, 2017
10	Congo Pharma SPRL, Congo	March 30, 2017
11	SPC Co Ltd, Sudan	March 31, 2017

Part D - Entities which underwent name change during FY 2017

Sl. No.	Name of the Entity	Current Name	Effective Date
1	Strides Pharma (UK) Limited	Strides Pharma Global (UK) Ltd	November 28, 2016
2	Strides Shasun (UK) Ltd	Strides Pharma UK Ltd	November 28, 2016
3	SSL Pharma Sciences Limited	Solara Active Pharma Sciences Limited	March 25, 2017

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 contaning salient features of the financial statement of subsidiaries/associate companies/ joint ventures)

₹ In Million

Sl. No.	Name of the Subsidiary	Country of incorporation	Reporting Currency	Exchange Rate	(a) Capital (Includes Monies pending allotment)	(b) Reserves	(c) Total Assets	(d) Total liabilities (other than Capital & reserves)	(e) Investments other than in subsidiaries	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) Share-holding (%)
A.	Subsidiaries:														
1	African Pharmaceutical Development Company	Cameroon	XAF	0.10	-	-	-	-	-	331.61	14.07	16.27	-2.20	-	0.00%
2	Alliance Pharmacy Pty Limited	Australia	AUD	49.48	-	-	-	-	-	-	-	-	-	-	100%
3	Altima Innvovations Inc.	USA	USD	64.86	0.39	-155.07	19.59	174.27	-	-	-159.91	-	-159.91	-	100%
4	Arrow Pharma (Private) Limited	Sri Lanka	LKR	0.43	21.45	-27.20	6.59	12.34	-	-3.23	-22.32	-	-22.32	-	100%
5	Arrow Pharma Life Inc.	Philippines	PHP	1.29	12.41	-7.27	5.32	0.18	-	-	-6.54	-	-6.54	-	100%
6	Arrow Pharma Pte Limited	Singapore	USD	64.86	54.78	-60.23	65.83	71.28	-	8.91	-38.07	-	-38.07	-	100%
7	Arrow Pharma Pty Limited	Australia	AUD	49.48	-	-	-	-	-	-	-	-	-	-	100%
8	Arrow Pharmaceuticals Pty Limited	Australia	AUD	49.48	5,732.91	-170.57	11,469.97	5,907.63	0.54	6,251.15	114.58	79.71	34.87	-	100%
9	Arrow Remedies Private Limited	India	INR	1.00	0.10	-0.82	3.16	3.88	-	11.30	-0.45	0.36	-0.81	-	100%
10	Beltapharm SpA	Italy	EUR	69.10	100.60	-30.57	424.49	354.46	-	359.18	-84.68	-	-84.68	-	97.94%
11	Congo Pharma SPRL	Congo	CDF	0.04	-	-	-	-	-	-	-	-	-	-	0.00%
12	Chemsynth Laboratories Private Limited	India	INR	1.00	68.63	-11.79	80.13	23.29	-	-	-1.35	-	-1.35	-	49%
13	Fagris Medica Private Limited	India	INR	1.00	10.40	-9.47	1.21	0.28	-	-13.31	-28.18	0.28	-28.46	-	100%
14	Generic Partners Holding Co. Pty Limited	Australia	AUD	49.48	734.56	9.45	748.96	4.95	-	-	-0.45	-	-0.45	-	51%
15	Generic Partners Pty Limited	Australia	AUD	49.48	734.64	-353.36	1,044.00	662.72	-	2,260.36	768.42	2.89	765.53	-	100%
16	Generic Partners (International) Pte Limited	Singapore	SGD	46.42	7.23	0.57	15.62	7.82	-	-0.01	0.58	-	0.58	-	51%
17	Generic Partners (Canada) Inc	Canada	CAD	48.71	-	-43.61	21.09	64.70	-	-0.16	-5.30	-	-5.30	-	100%
18	Generic Partners (M) SDN BHD	Malaysia	MYR	14.64	-	0.34	0.40	0.06	-	0.01	-0.20	-0.01	-0.19	-	100%
19	Generic Partners (NZ) Limited	New Zealand	NZD	45.32	-	-1.88	-	1.88	-	-	-1.97	-	-1.97	-	100%
20	Generic Partners (South Africa) (Pty) Limited	South Africa	ZAR	4.83	-	-0.01	-	0.01	-	-	-0.01	-	-0.01	-	100%
21	Generic Partners UK Limited	UK	GBP	81.43	0.01	21.66	139.82	118.15	-	426.76	28.79	3.01	25.78	-	100%
22	Pharmacy Alliance Group Holdings Pty Limited	Australia	AUD	49.48	1,346.14	-1,346.15	18.92	18.93	-	37.73	37.72	-	37.72	37.73	51%
23	Pharmacy Alliance Investments Pty Limited	Australia	AUD	49.48	698.51	18.93	717.43	-0.01	-	19.24	19.24	-	19.24	-	100%
24	Pharmacy Alliance Pty Limited	Australia	AUD	49.48	73.53	95.11	487.27	318.63	-	917.34	170.18	49.36	120.82	37.73	100%
25	Shasun Foundation Trust	India	INR	1.00	-	0.47	0.47	-	-	-	-0.09	-	-0.09	-	0.00%
26	Shasun Pharma Solutions Inc.	USA	USD	64.86	33.98	-34.18	-	0.20	-	-	-29.53	-	-29.53	-	100%
27	Sterling Pharma Solutions Ltd (formerly, Shasun Pharma Solutions Limited)	UK	GBP	81.43	-	-	-	-	-	1,517.22	35.24	13.88	21.36	-	0.00%
28	Shasun USA Inc.	USA	USD	64.86	0.54	-200.88	83.36	283.70	-	42.87	21.58	-	21.58	-	100%
29	Smarterpharm Pty Limited	Australia	AUD	49.48	0.07	7.95	12.04	4.02	-	5.22	5.19	1.56	3.63	-	100%
30	Solara Active Pharma Sciences Limited	India	INR	1.00	0.10	-	0.10	-	-	-	-	-	-	-	100%
31	Sorepharm SA	Burkino Faso	XAF	0.10	-	-	-	-	-	83.63	20.74	4.56	16.18	-	0.00%
32	Stabilis Pharma Inc.	USA	USD	64.86	0.06	0.26	0.61	0.29	-	1.89	9.69	-	9.69	-	100%
33	Stelis Biopharma Private Limited	India	INR	1.00	57.52	-57.52	-	-	-	57.90	-178.49	-	-178.49	-	74.90%

₹ In Million

Sl. No.	Name of the Subsidiary	Country of incorporation	Reporting Currency	Exchange Rate	(a) Capital (Includes Monies pending allotment)	(b) Reserves	(c) Total Assets	(d) Total liabilities (other than Capital & reserves)	(e) Investments other than in subsidiaries	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) Share-holding (%)
34	Stelis Biopharma (Malaysia) SDN. BHD.	Malaysia	MYR	14.64	121.85	-37.89	0.38	-83.58	-	1.25	0.76	-	0.76	-	100%
35	Strides Africa Limited	British Virgin Islands	USD	64.86	293.36	-293.23	0.13	-	-	-	38.09	-	38.09	-	100%
36	Strides Arcolab (Australia) Pty Limited	Australia	AUD	49.48	5,675.77	15.51	5,842.09	150.81	-	23.85	15.78	-	15.78	-	100%
37	Strides Arcolab International Limited	UK	USD	64.86	2,040.26	502.80	2,543.84	0.78	82.53	3.16	81.84	-	81.84	-	100%
38	Strides Biologix Private Limited	India	INR	1.00	-	-	-	-	-	4.70	-12.30	-	-12.30	-	0.00%
39	Strides CIS Limited	Cyprus	USD	64.86	0.20	7.66	10.24	2.38	-	123.03	4.40	-	4.40	-	100%
40	Strides Consumer Private Limited	India	INR	1.00	0.10	-	0.10	-	-	-	-	-	-	-	100%
41	Strides Emerging Market Private Limited	India	INR	1.00	56.27	-19.06	275.10	237.89	-	298.97	-107.34	-0.02	-107.32	-	100%
42	Strides Foundation Trust	India	INR	1.00	-	23.30	26.13	2.83	-	0.57	3.15	-	3.15	-	0.00%
43	Strides Healthcare Private Limited	India	INR	1.00	43.33	533.69	581.40	4.38	-	13.70	-34.26	-10.59	-23.67	-	74%
44	Strides Pharma (Cyprus) Limited	Cyprus	USD	64.86	1,887.49	1,268.55	5,030.09	1,874.05	-	1,740.46	-598.61	49.82	-648.43	-	100%
45	Strides Pharma (SA) Pty Limited	South Africa	ZAR	4.83	-	-3.38	39.51	42.89	-	-	-1.60	-	-1.60	-	100%
46	Strides Pharma Global (UK) Limited (formerly Strides Pharma (UK) Limited)	UK	GBP	81.43	3,530.53	-1,618.57	2,179.28	267.32	302.86	0.04	-4.41	-	-4.41	-	100%
47	Strides Pharma Asia Pte Limited	Singapore	USD	64.86	8,291.09	603.13	18,584.51	9,690.29	-	194.61	1,411.49	-	1,411.49	-	100%
48	Strides Pharma Botswana (Pty) Limited	Botswana	BWP	6.22	-	-	-	-	-	82.44	10.60	-	10.60	-	0.00%
49	Strides Pharma Cameroon Limited	Cameroon	XAF	0.10	-	-	-	-	-	0.06	5.29	0.02	5.27	-	0.00%
50	Strides Pharma Global Pte Limited	Singapore	USD	64.86	13,532.72	1,680.46	26,606.38	11,393.20	-	5,041.79	295.22	-6.56	301.78	-	100%
51	Strides Pharma Inc.	USA	USD	64.86	681.75	1,517.17	4,374.12	2,175.20	-	2,352.21	-15.07	-	-15.07	-	100%
52	Strides Pharma International Limited	Cyprus	USD	64.86	28.41	1,601.87	1,743.16	112.88	-	-0.01	-2,347.63	0.44	-2,348.07	-	100%
53	Strides Pharma Limited	Cyprus	USD	64.86	0.61	3,508.88	3,715.07	205.58	-	292.16	-39.93	18.83	-58.76	-	100%
54	Strides Pharma Mozambique	Mozambique	MZN	0.91	-	-	-	-	-	3.96	5.35	-	5.35	-	0.00%
55	Strides Pharma Namibia Pty Limited	Namibia	NAD	4.83	-	-	-	-	-	92.99	6.61	-	6.61	-	0.00%
56	Strides Pharma UK Limited (formerly, Strides Shasun (UK) Ltd)	UK	GBP	81.43	1.17	234.02	421.96	186.77	-	536.58	106.92	18.88	88.04	-	100%
57	Strides Specialties (Holdings) Limited	Mauritius	USD	64.86	-	-1.52	0.11	1.63	-	-	-0.93	-	-0.93	-	100%
58	Strides Vital Nigeria Limited	Nigeria	NGN	0.21	-	-	-	-	-	111.87	-536.72	7.18	-543.90	-	0.00%
59	SVADS Holdings SA	Switzerland	CHF	64.66	466.59	448.74	1,052.65	137.32	-	364.77	469.34	8.94	460.40	-	100%
60	Universal Corporation Limited	Kenya	KES	0.63	114.70	884.65	1,875.94	876.59	3.14	1,804.56	285.29	-	285.29	-	51%

PART B - ASSOCIATES/ JOINT VENTURE

(Statement contaning salient features of the financial statement of subsidiaries/associate companies/ joint ventures)

Sl. No.	Name of Associate / Joint Venture	Stelis Biopharma Private Limited, India	Regional Bio Equivalence Centre S.C., Ethiopia	Aponia Laboratories Inc, USA	Akorn Strides LLC, US	Shasun NBI LLC, US	Oraderm Pharmaceuticals Pty Limited, Australia	Strides Shasun Latina, SA de CV, Mexico
1	Latest audited Balance Sheet Date	31st March 2017	31st December 2016	31st March 2017	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 2017	Newly incorporated entity	Newly incorporated entity
2	Shares of Associate/ Joint Venture held by the Company on the year end							
	No.	251,527 shares	342 shares	3,734,074 shares	-	1,312,500 shares	50 shares	800 shares
	Amount of Investment in Associate/ Joint Venture	₹ 2049.42 Million***	₹ 3.14 million	₹ 82.53 million	USD 896,775*	USD 1,312,500**	Nil	Nil
	Extent of Holding %	74.90%	24.98%	24.00%	50% by Akorn Inc., USA and 50% by Strides Pharma Inc., USA	50.00%	50.00%	80.00%
3	Description of how there is significant influence	74.90% and Board representation	24.98%	24% and Board representation	50%	50%	50%	80% and Board representation
4	Reason why the Associate/ Joint Venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	The JV is currently under winding-up.	Not Applicable	Not Applicable	Not Applicable
5	Networth attributable to Shareholding as per latest auditied Balance Sheet	₹ 599.09 Million		₹ 16.68 Million	Nil		₹ 0.54 Million	
6	Profit/ (Loss) for the year							
	Considered in Consolidation	(₹ 178.49) Million	(₹ 0.52) Million	₹ 3.61 Million	Nil		₹ 0.54 Million	Nil
	Not considered in Consolidation	Nil	Nil	Nil	Nil		Nil	Nil

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

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

*** The investment amount has been recorded at fair value on the date of recognition as an Associate in accordance with Ind AS requirements.

Arun Kumar
Chairman

Shashank Sinha
Managing Director

Date: August 11, 2017
Place: Bengaluru

Badree Komandur
Executive Director - Finance

Manjula R.
Company Secretary

Annexure 3

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

As at the date of this report, the Company has three ESOP schemes viz., Strides Arcolab ESOP 2011, Strides Arcolab ESOP 2015 and Strides Shasun ESOP 2016 Scheme.

With respect to the above, please find below the details of Employee Stock Options pursuant to SEBI Regulation and Companies Act, 2013 as at March 31, 2017:

#	Description	Strides Arcolab ESOP 2011	Strides Arcolab ESOP 2015	Strides Shasun ESOP 2016
A	Options available under the Scheme	15,00,000	70,000	30,00,000
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.	This ESOP Scheme is exclusively for Shasun employees who were holding stock options under the Shasun ESOP Plan and became part of the Strides Group pursuant to merger of Shasun Pharmaceuticals with Strides in the year 2015-16. In terms of the Scheme of Amalgamation between the two companies, Exercise Price per equity share of the Company shall be equal to the quotient of the option of the Shasun Exercise Price per equity share divided by the Share Exchange Ratio (rounded up to the nearest higher whole cent). This would translate to 0.3125 (5/16) New Stock Options in the Company, in relation to each option granted under the Shasun - ESOP Plan 2012. Accordingly, the Exercise price per New Stock Option is ₹ 273.92 per Share of the Company.	Decided by the Compensation Committee from time to time, which shall be not less than 75% of the market price of the shares on the date of grant of option.
C	Outstanding options as at April 1, 2016	265,000	-	-
D	Options granted during the year under review	NIL	37,438	1,00,000
E	Options vested during the year under review	1,70,000	7,028	-
F	Options exercised during the year under review	70,000	7,028	-
G	Total number of shares arising as a result of exercise of options	70,000	7,028	-
H	Options lapsed / surrendered during the year under review	25,000	7,313	-
I	Variation of terms of options	-	-	-
J	Money realized by exercise of options	3,19,67,000	19,25,110	-
K	Total number of options in force at the end of the period ending March 31, 2017	1,70,000	23,097	1,00,000
L	Available for further grant	NIL – Refer Note 1	NIL – Refer Note 2	29,00,000
M	Employee-wise details of options granted during the year under review			
	(i) Key Management Personnel	NONE	NONE	1,00,000
	(ii) Any other employee who received grant in any one year of option amounts to 5% or more of options during the year	NONE	NONE	NONE
	(iii) Identified employees who were granted options, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant	NONE	NONE	NONE

#	Description	Strides Arcolab ESOP 2011		Strides Arcolab ESOP 2015	Strides Shasun ESOP 2016
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	Continuing Operations 13.71			
		Discontinued Operations (1.59)			
		Total Operations 12.12			
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.	The Compensation cost has been accounted under fair value.			
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	₹ 543.62		₹ 273.92	₹ 841.25
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. Details of assumptions used in the estimation of fair value as at grant date for options granted during the previous year are given below:			
	Scheme	ESOP 2011		ESOP 2015	ESOP 2016
		LOT 1	LOT 2	LOT 3	LOT 4
	Allotment date :	Feb 7, 2014	Feb 2, 2015	May 16, 2016 Oct 28, 2016	June 15, 2016
	Exercise Price :	₹ 322.30	₹ 792.60	₹ 273.92	₹ 841.25
	Risk free interest rate	8.75%	7.65%	7.59%	7.52%
	Expected life	3 years	3 years	4 years	3 years
	Expected annual volatility of shares	38.64%	48.44%	70.30%	69.47%
	Expected dividend/ yield	20%	20%	40%	40%
	The price of the underlying share in market at the time of option grant	379.15	932.45	1305.43	1128.94

Notes:

1. SEBI had notified the Share Based Employee Benefits Regulations 2014 which replaced the erstwhile ESOP guidelines. It mandates that all listed companies having existing stock option schemes comply with the revised regulation in their entirety.

   Considering the above, the Nomination and Remuneration Committee resolved it shall 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.

2. ESOP 2015 was an exclusive Scheme for the employees of erstwhile Shasun Pharmaceuticals and its subsidiaries which merged into Strides Shasun. Under the Scheme 30,625 options were granted to employees of erstwhile Shasun and 6,813 options were granted to employee of its subsidiary. During the year under review, 6,813 options granted to employees of erstwhile Shasun's subsidiaries were cancelled.

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

For and on behalf of the Board of Directors

Date: August 11, 2017
Place: Bengaluru

Shashank Sinha
Managing Director

Arun Kumar
Chairman

Annexure 4

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

PREAMBLE:

1. **Strides Shasun Limited (hereinafter referred to as "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 paid to all directors and employees of the Company is commensurate with their role and responsibilities. In order to attract and retain properly qualified and best talent at all levels, it is the Company's endeavor to maintain fair and competitive remuneration consistent with industry standards and practices.

   Pursuant to the Companies Act, 2013 ("hereinafter referred to as "the Act"), the Company is required to constitute a Nomination and Remuneration Committee which shall formulate the Nomination and Remuneration Policy ("hereinafter referred to as "the Policy") and review the HR policies and the overall appointment and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Board may upon recommendation of the Nomination and Remuneration Committee, amend and/ or modify this Policy as and when necessary.

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 with recommendations to the Board of Directors (hereinafter referred to as "the Board") in accordance with the policy and the provisions of the Act.

3. CATEGORIES OF EMPLOYEES COVERED UNDER THIS POLICY:

a) Directors including Whole Time/ Executive Directors and Non-Executive Directors.
b) Key Managerial Personnel 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 directors 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 based upon the criteria 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 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;
- 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;
- To deal with other matters as the Board may refer to the Nomination and Remuneration Committee ("the Committee") from time to time.

6. REMUNERATION:

Role and Type of Remuneration:

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

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

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

Guaranteed Portion of Remuneration:

Whole-time Directors/ Executive Directors and employees are receiving guaranteed portion of their total package on a monthly basis. The total package includes both monthly compensation and guaranteed benefits such as employer's contribution to retirement funds i.e. provident fund, pension and gratuity, group mediclaim etc.

Variable Portion of Remuneration:

Performance Incentive to reward employees for performance is variable. These rewards are based on individuals, business unit or Company's performance including related pre-defined targets. Performance is measured over a 12 months' 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 Audit Committee Meetings. The Company pays a sitting fee per meeting of the Board and Audit 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-imbursement 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 directors 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 directors and employees of the Company.

9. REPORTING REQUIREMENTS:

This policy shall be disclosed every year in the Board's Report to the shareholders of the Company

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.

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

Measurement

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

The following are the details:

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

For and on behalf of the Board of Directors

Date: August 11, 2017
Place: Bengaluru

Shashank Sinha
Managing Director

Arun Kumar
Chairman

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, 2017	As at March 31, 2017, 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 meeting 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, 2017 is 128.7 and 60.8 respectively.
		The median remuneration for the period under review is approx. ₹ 390,000 per annum.

b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year ending March 31, 2017:

#	Particulars	% Increase
1	Arun Kumar Executive Vice Chairman and Managing Director	-
2	Abhaya Kumar Executive Director	NA – Salary was revised post-merger effective November 19, 2015.
3	Shashank Sinha Group CEO	-
4	Badree Komandur Group CFO	20%
5	Manjula Ramamurthy Company Secretary (w.e.f February 3, 2017)	April '16 to Jan '17 – 20% Feb 17 to Mar 2017 - 42%

c.	The percentage increase in the median remuneration of employees in the financial year ending March 31, 2017	11.50%
d.	The number of permanent employees on the rolls of Company as at March 31, 2017	5,800 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 16% in FY'2017. 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 during the period under review:

- Remuneration of KMP as a percentage of Revenue is 0.7%
- Remuneration of KMP as a percentage of PBT is 12.4%

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

Particulars (Standalone Financials)	31-Mar-17	31-Mar-16	Change
Stock Price (₹) (Data source: NSE)	1,098.50	1,084.05	1.33%
Market Cap (₹) (Billion)	98.23	96.86	1.42%
EPS (Continuing Operations)	13.74	15.97	(13.96)
P/E	79.95x	67.88x	

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 16%. However, the Managing Director opted not to take any increment in remuneration for FY 16-17
i.	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:	

#	Particulars	Remuneration in FY 2016-17 (₹)	Revenue (₹)	Remuneration of KMPs (as % of revenue)	Profit After Tax (PAT)	Remuneration of KMP (as % of PAT)
a	Arun Kumar	5.10 Cr.	22,859 Million	0.22%	1,228 Million	4.15%
b	Abhaya Kumar	2.40 Cr.		0.10%		1.95%
c	Shashank Sinha	4.70 Cr.		0.21%		3.83%
d	Badree Komandur	2.75 Cr.		0.12%		2.24%
e	Manjula Ramamurthy	24 Lakhs		0.01%		0.20%

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

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: August 11, 2017
Place: Bengaluru

Shashank Sinha
Managing Director

Arun Kumar
Chairman

Annexure 6

1. Introduction

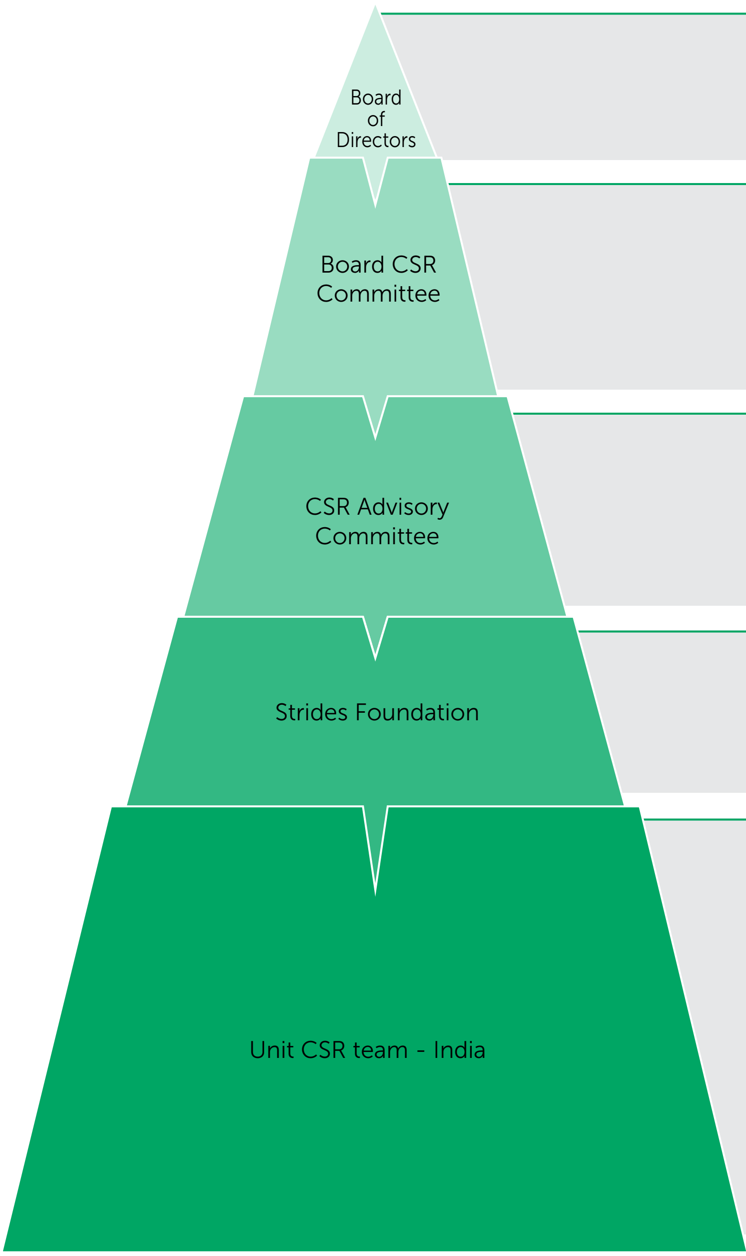
Strides Shasun, with a goal to make a difference by creating an impact on the lives of people/ the stake holder community and with the objective to: Serve the community, Ensure sustainability and Focus on quality had prioritised the causes that support the current phase of the CSR Activities.

Based on the extensive assessment of the stakeholder community at Bangalore, Chennai, Puducherry and Cuddalore, the Company continues to invest in some of the existing CSR initiatives and has initiated few new programs with focus on:

1. Health & Hygiene
2. Education
3. Employability

Our Corporate Social Responsibility (CSR) initiatives go beyond compliance and creates sustainable value for communities by improving their health, education and employability.

2. CSR Governance Structure :



Board of Directors	
Board CSR Committee	Ms. Sangita Reddy - Chairperson Mr. Arun Kumar - Member Mr. Deepak Vaidya - Member Mr. Homi R Khusrokhan - Member Mr. Shashank Sinha - Member Mr. Badree Komandur - Member
CSR Advisory Committee	Mr. Badree Komandur – Executive Director Mr. S Hariharan – Group President - Finance Mr. Rahul Maitra – CHRO
Strides Foundation	Dr. P Sathyanarayan Ms. Chandralekha B J
Unit CSR team - India	Mr. Ramaraju PVS Mr. Hafeez ur Rehman Mr. Shivappa Mr. Megharaj D Mr. Sreenivas NB Mr. Kannapiran Elavazhagan Mr. Velmurugan Palanisamy Mr. Sarvesan A Mr. Surendran C D Mr. Selvakumar N Mr. Francis Kumar A Mr. Raghupady K Ms. Manonmani A

3. Average Net Profit of the Company for the last three financial years is: ₹ 1,229.55 Million

4. The prescribed CSR Expenditure, which is two per cent of the amount mentioned in 3 above, is ₹ 24.59 Million for FY 2016-17.

5. Details of CSR spend during the FY 2016-17:

The total CSR expenditure for FY 2016-17 stood at ₹ 25.26 Million.

#	Particulars	Amount (₹ In Million)
1	Prescribed CSR spend for the FY 2016-17	24.59
2	Total spend during the year under review	25.26
3	Amount unspent, if any	NIL

6. Manner in which the amount was spent during FY 2016-17 :

1	2	3	4	5			6
S. No	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 expenditure on projects	(2) Overheads	Cumulative expenditure upto the reporting period	
Health							
1	Arogyadhama	Honnakalasapura, Suragajakkanahalli Panchayat, Anekal taluk, Bangalore Dist, Karnataka State	₹ 6,000,000	₹ 6,000,000	-	₹ 6,000,000	Strides Foundation
2	Arogyadhama - Purchase of Ambulance and CCTV Security System	Honnakalasapura, Suragajakkanahalli Panchayat, Anekal taluk, Bangalore Dist, Karnataka State	-	₹ 750,000	-	₹ 750,000	Strides Foundation
3	RO Drinking Water setup	Sidihoskote, Suragajakkanahalli Panchayat, Anekal taluk, Bangalore Dist, Karnataka State	₹ 800,000	₹ 800,000	-	₹ 800,000	Strides Foundation
4	RO Drinking Water setup	Kalapet, Puducherry	₹ 1,000,000	₹ 735,000	-	₹ 735,000	Direct by the company
5	Dispensary in Puducherry	Puducherry	₹ 1,600,000	₹ 1,068,496	-	₹ 1,068,496	Direct by the company
6	Dispensary in Cuddalore	Cuddalore	₹ 1,600,000	₹ 390,000	-	₹ 390,000	Direct by the company
7	Maintenance of RO Drinking Water plants	2 schools and 3 units at Kalapet, Tsunami nagar and Pillaichavadi, Puducherry	₹ 300,000	₹ 387,994	-	₹ 387,994	Direct by the company
8	Awareness programs & Health Camps	Puducherry	₹ 100,000	₹ 48,485	-	₹ 48,485	Direct by the company
9	Water supply to village	Cuddalore	-	₹ 1,042,788	-	₹ 1,042,788	Direct by the company
10	Blood component separation machine for hospital	Puducherry	-	₹ 2,000,000	-	₹ 2,000,000	Direct by the company
11	Medical Health Camps	Puducherry	₹ 200,000	₹ 116,630	-	₹ 116,630	Direct by the company
Education							
1	LeAPS program	Haragadde Government School and Gottigere Government School, Bangalore Dist, Karnataka State	₹ 700,000	₹ 700,000	-	₹ 700,000	Strides Foundation
2	Model School	Haragadde Government School, Bangalore Dist, Karnataka State	₹ 3,000,000	₹ 3,000,000	-	₹ 3,000,000	Strides Foundation
3	Sponsorship / support - External	CSIM - Training - Bangalore - Karnataka	₹ 1,500,000	₹ 1,500,000	-	₹ 1,500,000	Strides Foundation
4	Infrastructure Improvement at School at Suragajakkanahalli	Suragajakkanahalli Government School, Anekal taluk, Bangalore Dist, Karnataka State	₹ 2,900,000	₹ 2,150,000	-	₹ 2,150,000	Strides Foundation
5	Infrastructure Improvement at School at Indlawadi	Indlawadi, Indlawadi Panchayat, Anekal taluk, Bangalore Dist, Karnataka State	₹ 1,700,000	₹ 1,700,000	-	₹ 1,700,000	Strides Foundation
6	Best student award	Puducherry	₹ 200,000	₹ 323,000	-	₹ 323,000	Direct by the company
7	Law college & University Support	Puducherry	₹ 200,000	₹ 113,000	-	₹ 113,000	Direct by the company
8	Sponsorship for Local Rural Sports	Puducherry	₹ 150,000	₹ 110,000	-	₹ 110,000	Direct by the company
9	Sponsorship for Local Rural Sports	Cuddalore	₹ 150,000	₹ 112,450	-	₹ 112,450	Direct by the company
10	Life skills training and counselling	Puducherry	₹ 300,000	₹ 89,038	-	₹ 89,038	Direct by the company
11	Sponsorship of schools near SRC	Chennai	₹ 300,000	-	-	-	
12	Examination Coaching for 10th and 12th standard	Puducherry	₹ 200,000	₹ 50,000		₹ 50,000	Direct by the company
13	Cultural & Talent development / Sports material / Science Lab Development	Puducherry	₹ 100,000	₹ 50,740		₹ 50,740	Direct by the company
14	Cultural & Talent development / Sports material / Science Lab Development	Cuddalore	₹ 100,000	₹ 18,000		₹ 18,000	Direct by the company
Employability							
1	Vocational skill Development & Fisherman Livelihood	Puducherry	₹ 700,000	₹ 1,304,200		₹ 1,304,200	Direct by the company
Others							
1	Green Initiative - Sapling Plantation	Bangalore, Karnataka State	₹ 700,000	₹ 700,000	-	₹ 700,000	Strides Foundation
2	Ad hoc Projects	-	₹ 90,000	-	-	-	-
	TOTAL		**₹ 24,590,000**	**₹ 25,259,821**	**-**	**₹ 25,259,821**	

7. **Brief on the projects taken up**

A. Health

1. Arogyadhama – State of the art Primary Health Centre :
2 years of service, **Arogyadhama,** in Honnakalasapura, Suragajakkanahalli, Bangalore, has won a lot of appreciation and positive feedback from the surrounding villages and the Panchayat. Smt. Muniyamma, 36 years of age, a tuberculosis cured patient, who was on treatment with **Arogyadhama,** on the recommendation of the Government PHC doctors, says "If it was not for Arogyadhama and the caring staff there I wouldn't have survived"

With inputs from our NGO partners, post a detailed Community Needs Analysis, to address health care needs at Suragajakkanahalli, Arogyadhama, a modern state of the art Primary Health Centre (PHC) was built in 2015, Arogyadhama takes care of the Curative, Preventive and Promotive health care in the surrounding 10 villages with approx. population of 12500.

Arogyadhama is equipped with ultra-modern equipments like X-ray, Scan, laboratory and minor OT. Along with out-patient facilities, it has other facilities like Ophthalmology, Gynaecology, Paediatrics, Dental Treatments, Pharmacy and day care. In the past year Arogyadhama has catered to more than 6200 patients.

Under the preventive health care, over 900 Students from surrounding 22 Government Schools have undergone Health check-up including General, Eye, ENT & Dental check-up. 140 children were administered Polio drops and 900 children were vaccinated for MMR (Measles and Rubella) in coordination with the Government. Health care was promoted with focus on General health, diabetic, Oral health and ANC care via Outreach Programs to bring the awareness and health to the doorstep of the people at Suragajakkanahalli village covering over 12000 people.

2. Dispensaries at Puducherry and Cuddalore:
Being of service to an average of 700 patients at each dispensary every month, Strides Shasun Dispensaries at Puducherry and Cuddalore cater to a population of 8,500 families. Last year over 15,000 people have been benefitted by these facilities.

3. RO Water plants
Self-sustainable RO water units at Sidihoskote in Bangalore and Kalapet in Puducherry are installed to ensure supply of safe drinking water. We have also taken up the maintenance and upkeep of the RO water units in 2 schools in Kalapet.

The Company has volunteered to supply drinking water to two remote villages at Cuddalore.

4. Health Camps
We have conducted Health camps and awareness sessions on health & hygiene in 24 villages of Karnataka, Tamilnadu and Puducherry, benefitting over 19000 people. Health camps included General, Diabetic, Eye, Dermatology and Dental check-ups.

5. UGD & Septic Tank with up flow filters:
The Company has built an Under-ground Drainage system (UGD) and a Septic Tank with up flow filters at Suragajakkanahalli Village, while creating awareness on the positive impact on health.

It is our pride to mention here that post the above initiative, the Government of Karnataka has certified Suragajakkanahalli Village as the "Open Defecation free village".

B. Education:

1. LeAPS :
Leadership Adoption Program at Schools (LeAPS) helps children to be future ready. The program aims to provide life skills training to children of Government schools.

LeAPS program is designed with an aim to help and motivate students through:

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

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

Under LeAPS program, students learn skills ranging from discipline, confidence and self-belief to social etiquette and creative careers. Students are also empowered through the Good touch and Bad touch module. As part of the programme the students are exposed to the different facades of life which ranges from value education to Safety rules with hands on experience. Career Guidance is given to the students to help them articulate their dreams. In the year 2016 – 17, about 260 students have benefitted from this program.

2. Infrastructure Improvement
With our focus on Education, infrastructural improvement was facilitated by renovating and upgrading the Government higher primary school in Suragajakkanahalli by constructing 2 classrooms, staff room and a stage

3. Life Skill Education Programme :
Continuing the Life Skills Education program for the Government High School, Kalapet, Puducherry this year we have covered 220 students to address the psychological and social needs of young people and help them to develop, grow into well-adjusted adults.

Added to this we have also trained the trainers to handle Life skills education for the Government school children, going forward and 26 trainers have been trained under this initiative.

4. Cultural & Talent development in schools and colleges:

   Strides Shasun has supported 5 schools for cultural and talent development activities. The prizes are sponsored for a variety of activities and events around the year. The educational institution include University of Puducherry, Law collage and Government Medical College.

   Academic conferences and seminars were sponsored for collegiate level, thousands of students have been benefitted by this initiative

5. Examination coaching and Best Student & Teacher Awards

   Examination coaching was given to the students of 10th and 12th standard of Government Girls and Boys High School. 300 students were benefited out of this coaching resulting in 96% result in the school final exams. Government Girls Higher secondary school, Kalapet, secured first rank amongst the Puducherry Government Schools.

   Best Student and Teacher awards were given away to recognise the effort of the Students and Teachers.

6. Sponsorship for Local Rural Sports:

   Sponsored local sports tournament of Volley ball and Kabbadi along with the sports kit, to encourage and support the local rural sports in the villages of Puducherry and Cuddalore.

   We have also sponsored 2 candidates who have qualified for the National level power lifting championship in Kalapet, Puducherry.

C. Employability

1. Vocational skill Development:

   We have initiated the Employment Empowerment Program in partnership with Swami Vivekananda Rural Community College (SVRCC) to make our youth of the neighbouring villages employable. Several job lead courses are offered as a part of this program, and students are assessed and counselled to choose the right courses based on their aptitude. 100 students are part of this program and are happy with the opportunity

8. 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

Date: August 11, 2017	**Sangita Reddy**	**Arun Kumar**
Place: Bengaluru	Chairperson of the CSR Committee	Chairman

Annexure 7

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
for the financial year ended on March 31, 2017

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

1. 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 27893199/ 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
a)	Pharmaceutical	210 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	Alliance Pharmacy Pty Ltd., Australia	NA	Subsidiary	51%	2(87)
2	Altima Innovations Inc., USA	NA	Subsidiary	100%	2(87)
3	Arrow Pharma (Pvt) Ltd., Sri Lanka	NA	Subsidiary	100%	2(87)
4	Arrow Pharma Life Inc., Philippines	NA	Subsidiary	100%	2(87)
5	Arrow Pharma Pte Limited, Singapore	NA	Subsidiary	100%	2(87)
6	Arrow Pharma Pty Ltd., Australia	NA	Subsidiary	100%	2(87)
7	Arrow Pharmaceuticals Pty Ltd., Australia	NA	Subsidiary	100%	2(87)
8	Arrow Remedies Private Limited, India	U33111MH2015FTC268380	Subsidiary	100%	2(87)
9	Beltapharm S.p.A, Italy	NA	Subsidiary	97.94%	2(87)
10	Chemsynth Laboratories Private Limited, India	U24297TG2009PTC064991	Subsidiary	49%	As per IND AS
11	Fagris Medica Private Limited, India	U24230MH2008PTC271062	Subsidiary	100%	2(87)
12	Generic Partners (Canada) Inc, Canada (effective August 1, 2016)	NA	Subsidiary	51%	2(87)
13	Generic Partners (International) Pte Ltd, Singapore (effective August 1, 2016)	NA	Subsidiary	51%	2(87)
14	Generic Partners (M) Sdn. Bhd, Malaysia (effective August 1, 2016)	NA	Subsidiary	51%	2(87)
15	Generic Partners (NZ) Limited. New Zealand (effective August 1, 2016)	NA	Subsidiary	51%	2(87)
16	Generic Partners (South Africa) (Pty) Ltd, South Africa (effective August 1, 2016)	NA	Subsidiary	51%	2(87)

17	Generic Partners Holding Co Pty Ltd, Australia (effective August 1, 2016)	NA	Subsidiary	51%	2(87)
18	Generic Partners Pty Ltd, Australia (effective August 1, 2016)	NA	Subsidiary	51%	2(87)
19	Generic Partners UK Ltd, UK (effective August 1, 2016)	NA	Subsidiary	51%	2(87)
20	Pharmacy Alliance Group Holding Pty Ltd., Australia	NA	Subsidiary	51%	2(87)
21	Pharmacy Alliance Investments Pty Ltd., Australia	NA	Subsidiary	100%	2(87)
22	Pharmacy Alliance Pty Ltd., Australia	NA	Subsidiary	51%	2(87)
23	Shasun Pharma Solutions Inc, USA	NA	Subsidiary	100%	2(87)
24	Shasun USA Inc, USA	NA	Subsidiary	100%	2(87)
25	Smarterpharm Pty Ltd, Australia (effective January 23, 2017)	NA	Subsidiary	51%	2(87)
26	Solara Active Pharma Sciences Ltd, India (formerly SSL Pharma Sciences Limited) (effective February 23, 2017)	U24230MH2017PLC291636	Subsidiary	100%	2(87)
27	Stabilis Pharma Inc, USA	NA	Subsidiary	100%	2(87)
28	Stelis Biopharma (Malaysia) Sdn Bhd, Malaysia	NA	Subsidiary	100%	2(87)
29	Strides Africa Ltd, BVI	NA	Subsidiary	100%	2(87)
30	Strides Arcolab (Australia) Pty Ltd., Australia	NA	Subsidiary	100%	2(87)
31	Strides Arcolab International Limited, UK	NA	Subsidiary	100%	2(87)
32	Strides CIS Limited, Cyprus	NA	Subsidiary	100%	2(87)
33	Strides Consumer Private Limited, India (effective March 6, 2017)	U24100MH2017PTC292022	Subsidiary	100%	2(87)
34	Strides Emerging Markets Private Limited, India	U24132KA2012PTC064214	Subsidiary	100%	2(87)
35	Strides Healthcare Private Limited, India	U24211KA2013PTC069731	Subsidiary	74%	2(87)
36	Strides Pharma (Cyprus) Limited, Cyprus	NA	Subsidiary	100%	2(87)
37	Strides Pharma Asia Pte Limited, Singapore	NA	Subsidiary	100%	2(87)
38	Strides Pharma Global (UK) Limited, UK (formerly, Strides Pharma (UK) Limited)	NA	Subsidiary	100%	2(87)
39	Strides Pharma Global Pte Limited, Singapore	NA	Subsidiary	100%	2(87)
40	Strides Pharma Inc., USA	NA	Subsidiary	100%	2(87)
41	Strides Pharma International Limited, Cyprus	NA	Subsidiary	100%	2(87)
42	Strides Pharma Limited, Cyprus	NA	Subsidiary	100%	2(87)
43	Strides Pharma (SA) Pty Ltd, South Africa	NA	Subsidiary	100%	2(87)
44	Strides Pharma UK Ltd, UK (formerly, Strides Shasun (UK) Ltd)	NA	Subsidiary	100%	2(87)
45	Strides Specialties (Holdings) Limited, Mauritius	NA	Subsidiary	100%	2(87)
46	SVADS Holdings SA, Switzerland	NA	Subsidiary	100%	2(87)
47	Universal Corporation Limited, Kenya	NA	Subsidiary	51%	2(87)
48	Akorn Strides LLC, USA	NA	JV	50%	2(6)
49	Oraderm Pharmaceuticals Pty Ltd, Australia (effective June 6, 2016)	NA	JV	50%	2(6)
50	Shasun NBI LLC, USA	NA	JV	50%	2(6)
51	Strides Shasun Sa De Cv, Mexico (effective August 23, 2016)	NA	JV	80%	2 (6)
52	Aponia Laboratories Inc, USA	NA	Associate	23.81%	As per IND AS
53	Stelis Biopharma Private Limited, India	U74140KA2007PTC043095	Associate	74.90%	As per IND AS
54	Regional Bio Equivalence Centre S.C., Ethiopia	NA	Associate	24.98%	As per IND AS

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2016				No. of Shares held at the end of the year March 31, 2017				% Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
Individual/ HUF	8,459,167	-	8,459,167	9.47	6,650,146	-	6,650,146	7.44	-2.03
Central Government	-	-	-	-	-	-	-	-	-
State Government	-	-	-	-	-	-	-	-	-
Bodies Corporate	19,367,017	-	19,367,017	21.68	21,148,238	-	21,148,238	23.65	1.97
Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	27,826,184	0	27,826,184	31.14	27,798,384	-	27,798,384	31.09	-0.05
(2) Foreign							-	-	-
NRI's - Individuals	-	-	-	-	-	-	-	-	-
Other - Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-**	**-**
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**27,826,184**	**-**	**27,826,184**	**31.14**	**27,798,384**	**-**	**27,798,384**	**31.09**	**-0.05**
(B) Public Shareholding									
(1) Institutions									
Mutual Funds/UTI	8,295,615	630	8,296,245	9.29	11,209,440	-	11,209,440	12.54	3.25
Banks/ Financial Institutions	218,316	1,051	219,367	0.25	251,542	1,026	252,568	0.28	0.03
Central Government	-	-	-	-	-	-	-	-	-
State Government	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	759,492	-	759,492	0.85	1,099,844	-	1,099,844	1.23	0.38
FII's/ FPI's	30,619,824	-	30,619,824	34.27	30,280,932	-	30,280,932	33.86	-0.41
Foreign Venture Capital Funds	2,055,920	-	2,055,920	2.30	564,306	-	564,306	0.63	-1.67
Sub Total (B)(1)	**41,949,167**	**1,681**	**41,950,848**	**46.95**	**43,406,064**	**1,026**	**43,407,090**	**48.54**	**1.59**
(2) Non Institutions									
(a) Bodies Corporate	3,358,255	9,940	3,368,195	3.77	3,067,409	3,144	3,070,553	3.43	-0.34
(b) Individuals							-	-	-
(i) Individuals shareholders holding nominal share capital upto ₹ 1 Lakh	6,650,299	294,626	6,944,925	7.77	5,874,969	195,070	6,070,039	6.79	-0.99
(ii) Individuals shareholders holding nominal share capital in excess ₹ 1 Lakh	5,815,681	-	5,815,681	6.51	5,832,802	-	5,832,802	6.52	0.01
(c) Others Specify									
(ci) Non Resident Indians	2,036,519	41,157	2,077,676	2.33	1,846,117	23,051	1,869,168	2.09	-0.24
(cii)HUF	323,165	-	323,165	0.36	262,544	-	262,544	0.29	-0.07
(ciii)Directors	350,750	-	350,750	0.39	352,550	-	352,550	0.39	0.00
(civ)Trust	2,757	-	2,757	0.00	2,937	-	2,937	0.00	0.00
(cv)Clearing Members	200,005	-	200,005	0.22	281,365	-	281,365	0.31	0.09
(cvi) Foreign Nationals	140,138	-	140,138	0.16	98,388	-	98,388	0.11	-0.05
(cvii) Foreign Co./ Overseas Corporate Bodies	21,000	-	21,000	0.02	21,000	-	21,000	0.02	0.00
(cviii)NBFCs registered with RBI	324,654	-	324,654	0.36	3,581	-	3,581	0.00	-0.36
(cix) NRI Non-Repatriation	-	-	-	0.00	58,536	-	58,536	0.07	0.07
(cx) Alternate Investment Funds	-	-	-	-	294,069	-	294,069	0.33	0.33
Sub Total (B2)	**19,223,223**	**345,723**	**19,568,946**	**21.90**	**17,996,267**	**221,265**	**18,217,532**	**20.37**	**-1.53**
Total Public Shareholding B=(B)(1)+(B)(2)	**61,172,390**	**347,404**	**61,519,794**	**68.86**	**61,402,331**	**222,291**	**61,624,622**	**68.91**	**0.05**
(C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	0.00
Grand Total(A+B+C)	**88,998,574**	**347,404**	**89,345,978**	**100.00**	**89,200,715**	**222,291**	**89,423,006**	**100.00**	**0.00**

(ii) Shareholding of Promoters

	Category & Name of the Shareholder	Shareholding at the beginning of the year April 1, 2016			No. of Shares held at the end of the year March 31, 2017			% 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	419,843	0.47	0.43	-	-	-	-0.47
2	ABHAYA KUMAR S - HUF	34,140	0.04	-	-	-	-	-0.04
3	ADITYA ARUN KUMAR	200,000	0.22	-	200,000	0.22	-	0.00
4	ARUN KUMAR PILLAI	670,797	0.75	-	670,797	0.75	-	0.00
5	CHAITANYA D	331,988	0.37	-	331,988	0.37	-	0.00
6	DEEPA ARUN KUMAR	201,000	0.22	-	201,000	0.22	-	0.00
7	DEEPAK ABHAYA KUMAR	410,812	0.46	0.43	312	0.00	-	-0.46
8	DEVENDRA KUMAR S	141,272	0.16	0.15	141,272	0.16	0.16	0.00
9	GAYATRI NAIR	33,000	0.04	-	33,000	0.04	-	0.00
10	HEMALATHA PILLAI	48,000	0.05	-	48,000	0.05	-	0.00
11	JATIN V	259,283	0.29	-	59,283	0.07	0.03	-0.22
12	JITESH D	364,125	0.41	-	364,125	0.41	0.06	0.00
13	K R LAKSHMI	130,365	0.15	-	130,365	0.15	-	0.00
14	K R RAVISHANKAR	1,255,593	1.41	-	1,255,593	1.40	-	0.00
15	LAKSHMI GOPALAKRISHNAN	50,000	0.06	-	50,000	0.06	-	0.00
16	LEELA V	475,358	0.53	-	275,358	0.31	-	-0.22
17	MAYUR ABHAYA	403,143	0.45	0.06	-	-	-	-0.45
18	MONISHA NITIN	93,750	0.10	-	593,750	0.66	-	0.56
19	NITIN KUMAR V	296,255	0.33	-	96,255	0.11	-	-0.22
20	PADMAKUMAR KARUNAKARAN PILLAI	171,485	0.19	-	171,485	0.19	-	0.00
21	POOJA JITESH	93,750	0.10	-	93,750	0.10	-	0.00
22	PURUSHOTHAMAN PILLAI G	33,013	0.04	-	33,013	0.04	-	0.00
23	RAHUL NAIR	20,000	0.02	-	20,000	0.02	-	0.00
24	RAJESWARI AMMA	93,760	0.10	-	93,760	0.10	-	0.00
25	RAJITHA GOPALAKRISHNAN	45,000	0.05	-	45,000	0.05	-	0.00
26	RUPALI JATIN	132,812	0.15	-	632,812	0.71	-	0.56
27	SAJITHA PILLAI	80,000	0.09	-	80,000	0.09	-	0.00
28	SAJJAN D	257,200	0.29	-	229,400	0.26	-	-0.03
29	SUCHI CHAITANYA SRISRIMAL	93,750	0.10	-	93,750	0.10	-	0.00
30	TARINI ARUN KUMAR	200,000	0.22	-	200,000	0.22	-	0.00
31	TARU MAYUR	93,750	0.10	-	-	-	-	-0.10
32	USHA A	419,845	0.47	0.47	-	-	-	-0.47
33	V. JATIN (HUF)	408	0.00	-	408	-	-	0.00
34	V. NITIN KUMAR (HUF)	500	0.00	-	500	-	-	0.00
35	VIMAL KUMAR S - HUF	115,158	0.13	-	115,158	0.13	-	0.00
36	VIMAL KUMAR S	615,012	0.69	-	215,012	0.24	-	-0.45
37	VINEETHA MOHANAKUMAR PILLAI	175,000	0.20	-	175,000	0.20	-	0.00
38	ABUSHA INVESTMENT & MANANGEMENT SERVICES LLP *	-	0.00	-	1,781,221	1.99	0.91	1.99
39	AGNUS CAPITAL LLP	20,000	0.02	-	20,000	0.02	-	0.00
40	AGNUS HOLDINGS PVT LTD	120,816	0.14	-	120,816	0.14	-	0.00
41	AMBEMATA SECURITIES	481,660	0.54	-	481,660	0.54	0.54	0.00
42	CHAYADEEP PROPERTIES PRIVATE LTD	361,060	0.40	-	361,060	0.40	-	0.00
43	DEVENDRA ESTATES PRIVATE LIMITED	923,953	1.03	-	803,953	0.90	0.88	-0.14
44	DEVENDRA ESTATES LLP *	-	0.00	-	605,000	0.68	0.57	0.68
45	PRONOMZ VENTURES LLP	12,665,000	14.18	-	12,665,000	14.16	-	-0.01
46	SEQUENT SCIENTIFIC LIMITED	3,312,500	3.71	-	3,312,500	3.70	1.06	0.00
47	SHASUN LEASING AND FINANCE (P) LIMITED	1,446,091	1.62	-	961,091	1.07	-	-0.54
48	TRIUMPH VENTURE HOLDINGS LLP	35,937	0.04	-	35,937	0.04	-	0.00
	TOTAL	27,826,184	31.14	1.54	27,798,384	31.09	4.20	-0.06

(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		Abusha Investments & Management Services LLP				
	01-Apr-16	At the beginning of the year	-	-	-	-
	23-Mar-17	Add: Block deal purchase from S. Abhayakumar (HUF)	34,140		34,140	
	23-Mar-17	Add: Block deal purchase from Mayur. A	128,143		162,283	
	23-Mar-17	Add: Block deal purchase from Deepak. A	104,875		267,158	
	24-Mar-17	Add: Block deal purchase from Abhaya Kumar	32,344		299,502	
	24-Mar-17	Add: Block deal purchase from Usha A	81,095		380,597	
	24-Mar-17	Add: Block deal purchase from Mayur. A	50,000		430,597	
	24-Mar-17	Add: Block deal purchase from Deepak. A	71,250		501,847	
	28-Mar-17	Add: Block deal purchase from Taru Mayur	93,750		595,597	
	28-Mar-17	Add: Block deal purchase from Usha A	213,750		809,347	
	29-Mar-17	Add: Block deal purchase from Abhaya Kumar	293,650		1,102,997	
	29-Mar-17	Add: Block deal purchase from Deepak. A	42,850		1,145,847	
	30-Mar-17	Add: Block deal purchase from Deepak. A	53,875		1,199,722	
	31-Mar-17	Add: Block deal purchase from Deepak. A	137,650		1,337,372	
	31-Mar-17	Add: Block deal purchase from Abhaya Kumar	93,849		1,431,221	
	31-Mar-17	Add: Block deal purchase from Usha A	125,000		1,556,221	
	31-Mar-17	Add: Block deal purchase from Mayur. A	225,000		1,781,221	
	31-Mar-17	At the End of the year			1,781,221	1.99
2		Agnus Capital LLP				
	01-Apr-16	At the beginning of the year	20,000	0.02		
	31-Mar-17	At the End of the year			20,000	0.02
3		Agnus Holdings Pvt Ltd				
	01-Apr-16	At the beginning of the year	120,816	0.14		
	31-Mar-17	At the End of the year			120,816	0.14
4		Ambemata Securities				
	01-Apr-16	At the beginning of the year	481,660	0.54	-	-
	31-Mar-17	At the End of the year			481,660	0.54
5		Chayadeep Properties Private Ltd				
	01-Apr-16	At the beginning of the year	361,060	0.40		
	31-Mar-17	At the End of the year			361,060	0.40
6		Devendra Estates LLP				
	01-Apr-16	At the beginning of the year	-	-	-	-
	23-Mar-17	Add: Block Deal - Purchase from Shasun Leasing & Finance	405,000		405,000	
	29-Mar-17	Add: Block Deal - Purchase from Shasun Leasing & Finance	80,000		485,000	
	29-Mar-17	Add: Block Deal: Purchase from Devendra Estates Pvt Ltd	120,000		605,000	
	31-Mar-17	At the End of the year			605,000	0.68
7		Devendra Estates Private Limited				
	01-Apr-16	At the beginning of the year	923,953	1.03		
	29-Mar-17	Less: Block Deal: Sale to Devendra Estates LLP	(120,000)		803,953	
	31-Mar-17	At the End of the year			803,953	0.90
8		Pronomz Ventures LLP				
	01-Apr-16	At the beginning of the year	12,665,000	14.18		
	31-Mar-17	At the End of the year			12,665,000	14.16
9		Sequent Scientific Limited				
	01-Apr-16	At the beginning of the year	3,312,500	3.71		
	31-Mar-17	At the End of the year			3,312,500	3.70
10		Shasun Leasing And Finance (P) Limited				
	01-Apr-16	At the beginning of the year	1,446,091	1.62		
	23-Mar-17	Less: Block Deal - Sale to Devendra Estates LLP	(405,000)		1,041,091	
	29-Mar-17	Less: Block Deal - Sale to Devendra Estates LLP	(80,000)		961,091	
	31-Mar-17	At the End of the year			961,091	1.07

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
11		Triumph Venture Holdings LLP				
	01-Apr-16	At the beginning of the year	35,937	0.04		
	31-Mar-17	At the End of the year			35,937	0.04
12		Abhaya Kumar				
	01-Apr-16	At the beginning of the year	419,843	0.47		
	24-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(32,344)		387,499	
	29-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(293,650)		93,849	
	31-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(93,849)		-	
	31-Mar-17	At the End of the year			-	-
13		Abhaya Kumar - HUF				
	01-Apr-16	At the beginning of the year	34,140	0.04		
	23-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(34,140)		-	
	31-Mar-17	At the End of the year			-	-
14		Aditya Arun Kumar				
	01-Apr-16	At the beginning of the year	200,000	0.22		
	31-Mar-17	At the End of the year			200,000	0.22
15		Arun Kumar				
	01-Apr-16	At the beginning of the year	670,797	0.75		
	31-Mar-17	At the End of the year			670,797	0.75
16		Chaitanya D				
	01-Apr-16	At the beginning of the year	331,988	0.37		
	31-Mar-17	At the End of the year			331,988	0.37
17		Deepa Arun Kumar				
	01-Apr-16	At the beginning of the year	201,000	0.22		
	31-Mar-17	At the End of the year			201,000	0.22
18		Deepak Abhaya Kumar				
	01-Apr-16	At the beginning of the year	410,812	0.46		
	23-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(104,875)		305,937	
	24-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(71,250)		234,687	
	29-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(42,850)		191,837	
	30-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(53,875)		137,962	
	31-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(137,650)		312	
	31-Mar-17	At the End of the year			312	0.00
19		Devendra Kumar S				
	01-Apr-16	At the beginning of the year	141,272	0.16		
	31-Mar-17	At the End of the year			141,272	0.16
20		Gayatri Nair				
	01-Apr-16	At the beginning of the year	33,000	0.04		
	31-Mar-17	At the End of the year			33,000	0.04
21		Hemalatha Pillai				
	01-Apr-16	At the beginning of the year	48,000	0.05		
	31-Mar-17	At the End of the year			48,000	0.05
22		Jatin V				
	01-Apr-16	At the beginning of the year	259,283	0.29		
	23-Mar-17	Less: Block Deal : Sale of shares to Rupali Jatin	(200,000)		59,283	
	31-Mar-17	At the End of the year			59,283	0.07
23		Jitesh D				
	01-Apr-16	At the beginning of the year	364,125	0.41		
	31-Mar-17	At the End of the year			364,125	0.41

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
24		K R Lakshmi				
	01-Apr-16	At the beginning of the year	130,365	0.15		
	31-Mar-17	At the End of the year			130,365	0.15
25		K R Ravishankar				
	01-Apr-16	At the beginning of the year	1,255,593	1.41		
	31-Mar-17	At the End of the year			1,255,593	1.40
26		Lakshmi Gopalakrishnan				
	01-Apr-16	At the beginning of the year	50,000	0.06		
	31-Mar-17	At the End of the year			50,000	0.06
27		Leela V				
	01-Apr-16	At the beginning of the year	475,358	0.53		
	23-Mar-17	Less: Block Deal - Sale to Monisha Nitin	(100,000)		375,358	
	23-Mar-17	Less: Block Deal - Sale to Rupali Jatin	(100,000)		275,358	
	31-Mar-17	At the End of the year			275,358	0.31
28		Mayur Abhaya				
	01-Apr-16	At the beginning of the year	403,143	0.45		
	23-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(128,143)		275,000	
	24-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(50,000)		225,000	
	31-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(225,000)		-	
	31-Mar-17	At the End of the year			-	-
29		Monisha Nitin				
	01-Apr-16	At the beginning of the year	93,750	0.10		
	23-Mar-17	Add: Block Deal : Purchase of shares from Leela V	100,000		193,750	
	23-Mar-17	Add: Block Deal : Purchase of shares from Nitin Kumar V	200,000		393,750	
	23-Mar-17	Add: Block Deal : Purchase of shares from Vimal Kumar S	200,000		593,750	
	31-Mar-17	At the End of the year			593,750	0.66
30		Nitin Kumar V				
	01-Apr-16	At the beginning of the year	296,255	0.33		
	23-Mar-17	Less: Block Deal : Sale of shares to Monisha Nitin	(200,000)		96,255	
	31-Mar-17	At the End of the year			96,255	0.11
31		Padmakumar Karunakaran Pillai				
	01-Apr-16	At the beginning of the year	171,485	0.19		
	31-Mar-17	At the End of the year			171,485	0.19
32		Pooja Jitesh				
	01-Apr-16	At the beginning of the year	93,750	0.10	-	-
	31-Mar-17	At the End of the year			93,750	0.10
33		Purushothaman Pillai G				
	01-Apr-16	At the beginning of the year	33,013	0.04		
	31-Mar-17	At the End of the year			33,013	0.04
34		Rahul Nair				
	01-Apr-16	At the beginning of the year	20,000	0.02		
	31-Mar-17	At the End of the year			20,000	0.02
35		Rajeswari Amma				
	01-Apr-16	At the beginning of the year	93,760	0.10		
	31-Mar-17	At the End of the year			93,760	0.10
36		Rajitha Gopalakrishnan				
	01-Apr-16	At the beginning of the year	45,000	0.05		
	31-Mar-17	At the End of the year			45,000	0.05
37		Rupali Jatin				
	01-Apr-16	At the beginning of the year	132,812	0.15		

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
	23-Mar-17	Add: Block Deal : Purchase of shares from Jatin V	200,000		332,812	
	23-Mar-17	Add: Block Deal : Purchase of shares from Leela V	100,000		432,812	
	23-Mar-17	Add: Block Deal : Purchase of shares from Vimal Kumar S	200,000		632,812	
	31-Mar-17	At the End of the year			632,812	0.71
38		Sajitha Pillai				
	01-Apr-16	At the beginning of the year	80,000	0.09		
	31-Mar-17	At the End of the year			80,000	0.09
39		Sajjan D				
	01-Apr-16	At the beginning of the year	257,200	0.29		
	30-Mar-17	Less: Market Sale	(27,800)		229,400	
	31-Mar-17	At the End of the year			229,400	0.26
40		Suchi Chaitanya Srisrimal				
	01-Apr-16	At the beginning of the year	93,750	0.10	-	-
	31-Mar-17	At the End of the year			93,750	0.10
41		Tarini Arun Kumar				
	01-Apr-16	At the beginning of the year	200,000	0.22		
	31-Mar-17	At the End of the year			200,000	0.22
42		Taru Mayur				
	01-Apr-16	At the beginning of the year	93,750	0.10		
	28-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(93,750)		-	
	31-Mar-17	At the End of the year			-	-
43		Usha A				
	01-Apr-16	At the beginning of the year	419,845	0.47		
	24-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(81,095)		338,750	
	28-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(213,750)		125,000	
	31-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(125,000)		-	
	31-Mar-17	At the End of the year			-	-
44		V. Jatin (HUF)				
	01-Apr-16	At the beginning of the year	408	0.00		
	31-Mar-17	At the End of the year			408	0.00
45		V. Nitin Kumar (HUF)				
	01-Apr-16	At the beginning of the year	500	0.00		
	31-Mar-17	At the End of the year			500	0.00
46		Vimal Kumar S - HUF				
	01-Apr-16	At the beginning of the year	115,158	0.13		
	31-Mar-17	At the End of the year			115,158	0.13
47		Vimal Kumar S				
	01-Apr-16	At the beginning of the year	615,012	0.69		
	23-Mar-17	Less: Block Deal : Sale of shares to Monisha Nitin	(200,000)		415,012	
	23-Mar-17	Less: Block Deal : Sale of shares to Rupali Jatin	(200,000)		215,012	
	31-Mar-17	At the End of the year			215,012	0.24
48		Vineetha Mohanakumar Pillai				
	01-Apr-16	At the beginning of the year	175,000	0.20		
	31-Mar-17	At the End of the year			175,000	0.20

(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, 2016		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DB INTERNATIONAL (ASIA) LTD	4,347,357	4.87	3,266,874	3.65
2	SBI BLUE CHIP FUND AND OTHER FUNDS	3,005,821	3.36	5,818,481	6.51
3	MORGAN STANLEY ASIA (SINGAPORE) PTE.	2,729,648	3.06	1,909,437	2.14
4	ORBIMED ASIA MAURITIUS LIMITED	2,055,920	2.30	564,306	0.63
5	SHIVANAND SHANKAR MANKEKAR	1,855,321	2.08	1,855,321	2.07
6	SATPAL KHATTAR	1,560,032	1.75	1,560,032	1.74
7	TATA BALANCED FUND	1,540,697	1.72	1,452,550	1.62
8	STEADVIEW CAPITAL MAURITIUS LIMITED	1,464,829	1.64	1,546,829	1.73
9	ROUTE ONE OFFSHORE MASTER FUND L.P.	1,382,182	1.55	1,675,585	1.87
10	GOLDMAN SACHS INDIA FUND LIMITED	1,351,365	1.51	-	-

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 Directors and KMP	Shareholding at the beginning of the year April 1, 2016		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1		**Arun Kumar**				
	01-Apr-16	At the beginning of the year	670,797	0.75		
	31-Mar-17	**At the End of the year**			**670,797**	**0.75**
2		**Abhaya Kumar**				
	01-Apr-16	At the beginning of the year	419,843	0.47	419,843	0.47
	24-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(32,344)		387,499	
	29-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(293,650)		93,849	
	31-Mar-17	Less: Block Deal : Sale of Shares to Abhusha Investments	(93,849)		Nil	
	31-Mar-17	**At the End of the year**			Nil	Nil
3		**Deepak Vaidya**				
	01-Apr-16	At the beginning of the year	175,000	0.20		
	31-Mar-17	**At the End of the year**			175,000	0.20
4		**M R Umarji**				
	01-Apr-16	At the beginning of the year	14,000	0.02		
	31-Mar-17	**At the End of the year**			14,000	0.02
5		**Sridhar S**				
	01-Apr-16	At the beginning of the year	48,750	0.05		
	31-Mar-17	**At the End of the year**			48,750	0.05
6		**A K Nair**				
	01-Apr-16	At the beginning of the year	20,000	0.02		
	31-Mar-17	**At the End of the year**			20,000	0.02
7		**P M Thampi**				
	01-Apr-16	At the beginning of the year	63,000	0.07	63,000	0.07
	23-Mar-17	Add: Market purchase	1,800	0.00	64,800	0.07
	31-Mar-17	**At the End of the year**			64,800	0.07
8		**Sangita Reddy**				
	01-Apr-16	At the beginning of the year	Nil	Nil		
	31-Mar-17	**At the End of the year**			Nil	Nil
9		**Bharat Shah**				
	01-Apr-16	At the beginning of the year	30,000	0.03		
	31-Mar-17	**At the End of the year**			30,000	0.03
10		**Shashank Sinha - Group CEO**				
	01-Apr-16	At the beginning of the year	612	0.00		
	31-Mar-17	**At the End of the year**			612	0.00
11		**Badree Komandur – Group CFO**				
	01-Apr-16	At the beginning of the year	Nil	Nil		
	31-Mar-17	**At the End of the year**			Nil	Nil
12		**Manjula Ramamurthy - Company Secretary**				
	01-Apr-16	At the beginning of the year	100	0.00		
	31-Mar-17	**At the End of the year**			100	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as at March 31, 2017

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	15,44,47,25,418	18,59,207	-	15,44,65,84,625
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	9,34,04,874	-	-	9,34,04,874
Total (i+ii+iii)	**15,53,81,30,292**	**18,59,207**	**-**	**15,53,99,89,499**
Change in Indebtedness during the financial year				
Addition	1,00,78,50,000	-	-	1,00,78,50,000
Reduction	(1,34,47,03,576)	18,59,207	-	(1,34,28,44,369)
Amortisation of processing fees	4,07,05,336	-	-	4,07,05,336
Working capital loans (net)	29,06,68,660	75,00,00,000	-	1,04,06,68,660
Exchange loss / (gain)	(10,89,67,082)	-	-	(10,89,67,082)
Net Change	**(11,44,46,662)**	**75,18,59,207**	**-**	**63,74,12,545**
Indebtedness at the end of the financial year				
(i) Principal Amount	15,33,02,78,756	75,37,18,414	-	16,08,39,97,170
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	4,64,70,839	-	-	4,64,70,839
Total (i+ii+iii)	**15,37,67,49,595**	**75,37,18,414**	**-**	**16,13,04,68,009**

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	2,06,71,333	5,92,02,533
	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity			
4.	Commission	-		
5.	As % of profit			
	Others, pls specify	-		
	Others – Bonus			
	TOTAL (A)	**3,85,31,200**	**2,06,71,333**	**5,92,02,533**
	Ceiling as per the Act for Managing Directors/ Whole-time Directors	₹ 123.77 Million (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	
	Fees for attending Board & Committee meetings	6,50,000	4,00,000	5,00,000	2,00,000	17,50,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	TOTAL (1)	**6,50,000**	**4,00,000**	**5,00,000**	**2,00,000**	**17,50,000**
		Deepak Vaidya	M.R Umarji	Bharat Shah	-	
	Fees for attending Board & Committee meetings	6,50,000	6,50,000	6,00,000	-	19,00,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	TOTAL (2)	**6,50,000**	**6,50,000**	**6,00,000**	**-**	**19,00,000**
	TOTAL (B) = (1)+(2)					**36,50,000**
	Overall ceiling as per the Act for Non-Executive Directors	₹ 12.38 Million (being 1% of the net profit calculated under Section 198 of the Companies Act 2013)				
	Total Managerial Remuneration for Managing Director/ Whole-time Directors and other Directors (A+B)					**6,28,52,533**

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

(Amount in ₹)

#	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Shashank Sinha *	Badree Komandur	Manjula Ramamurthy **	
		Group CEO	Group CFO	CS	
1.	Gross Salary				
	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961***	4,12,20,004	1,35,81,888	22,64,715	5,70,66,607
	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	1,23,50,000	1,29,75,000	2,00,750	2,55,25,750
	TOTAL	**5,35,70,004**	**2,65,56,888**	**24,65,465**	**8,25,92,357**

* Shashank appointed as KMP effective October 2016. Remuneration details provided reflects for full year - FY 2016-17

** Manjula appointed as KMP effective Feb 2017. Remuneration details provided reflects for full year - FY 2016-17

*** Excludes Company's contribution to PF

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.

For and on behalf of the Board of Directors

Date: August 11, 2017
Place: Bengaluru

Shashank Sinha
Managing Director

Arun Kumar
Chairman

Annexure 8

Particulars on Energy conservation and Technology absorption

(A) Conservation of Energy

(i) Steps taken and impact on conservation of energy

a) 50,694 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) 40,295 KL of water recycled from steam condensate and reused for steam generation across all sites.

c) 3,700 KL rain water collected and recharged to improve the ground water table across all sites.

d) Additional 1,400 KL rain water harvesting facility created to improve the collecting and recharging capacity at the FDF Bangalore.

e) Replacement of TFL/CFL/SVL with energy efficient LED lights resulted in saving of about 5,52,466 KWH across all sites.

f) Fully automatic, high efficiency boiler, commissioned at the API facility in Pudicherry has resulted in reducing the consumption of biomass briquettes to the tune of 20%.

g) Installation of variable frequency drives resulted in energy saving of 961,200 KWH per annum across all sites.

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

a) Utilisation of 21.53 MU renewable energy resulted in 11,411 MT CO_2 emissions reduction across all sites.

b) Utilised Indian Energy Exchange and Power Exchange of India as alternate energy sources and consumed 14.2 MU across all sites in India.

(B) Technology absorption:

(i) Efforts made towards technology absorption

At Oral Dosage Facility – Bengaluru

a) Fully Integrated granulation suite from material loading to high-shear mixer to unloading from dry-mill of FBP with closed material conveying system was commissioned to eliminate manual handling and optimise yields of higher batch size products.

b) Fully integrated granulation suite along with blending, compression, capsule filling, coating to handle - exhibit/ submission/ pilot scale, batch manufacturing is commissioned.

c) One additional Fette Compression Machine is commissioned with special inbuilt features of turret cooling mechanism, auto lubricant spraying system to cater heat and moisture sensitive products.

d) Tri-layer tablet compression machine is commissioned to cater the niche tri-layered tablets.

e) Hard-gelatin capsule manufacturing capability is enhanced with an additional 90,000 CPh machine with the improved technology of zero relative motion to significantly reduce the powders/ fines loss during filling.

f) Tablet inspection system in bulk packing line 1 & 2 is commissioned to improve the quality level of the bulk packed dosage units of tablets and hard gel capsules.

g) High speed bulk packing line-02 upgraded to handle automatic cotton and desiccant insertion.

h) Wooqer, an IT enabled platform, implemented in EHS and Engineering function for improved tracking and compliance of facility upkeep.

i) 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.

j) 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.

k) Additional 4,500 sq. feet area created at Quality Control to ensure a better quality inspection of products.

At Oral Dosage facility – Puducherry

a) Fills bottle packing machine has been replaced with an improved and efficient CVC bottle packing machine line of 120 BPM.

b) Installed a high-speed capsule Filler ZRO 90 T with 100% check weigher commissioned for the improved performance and compliance.

At API facility – Cuddalore

New cold room of 2 – 8 degree temperature condition is created for storage of APIs requiring low temp storage condition.

At API facility – Puducherry

a) 400 KL Zero Liquid Discharge unit commissioned at the API facility to recycle the process effluent and reuse, thereby reducing the intake of water from external sources.

b) Fully automatic, high efficiency boiler commissioned at the API facility has resulted in reducing the consumption of biomass briquettes to the tune of 20%.

c) Additional temperature controlled storage area of 380 pallets station created for < 25 deg storage condition.

(ii) Product Improvement & Technology Absorption:

a) Two high volume products LNZ & AL 20/120 mg tablets are validated in large volume suites and have supported the commercial supplies from the new added capacity, there by making available capacity to other products.

b) The productivity improvement is achieved by carrying out about 14 batch size changes.

c) The products are validated with alternate equipments in 17 products to accommodate the business requirement and there by achieve customer satisfaction.

d) The sustainability of existing products achieved from the challenges of existing sources, regulatory requirements by carrying out source change validations for 7 products.

e) 18 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 improvement of their performance.

f) 5 products from the recent added Arrow basket of products are site transferred to the in-house manufacturing facilities.

g) 2 products are site transferred between internal manufacturing facilities as a part of strategic policy.

h) 3 commercial launches for US market are achieved to have the higher share in regulated market.

i) High volume product Sodium Valproate is improved by 5 folds in the productivity by taking up change in alternate higher capacity granulation and coating equipment to meet the market and supply requirements.

j) Gabapentin Tablets USP 600/800 mg – Business is supported with alternate vendor development for excipient Poloxamer-407 as existing vendor has intimated about stopping supply of the materials.

k) Identification of products which requires correction for making them more robust are taken as a separate initiative under the Product Robustness Drive.

Under product robustness drive, total six products process has been improved and made very robust which were giving less productivity and in turn creating road block for smooth deliveries due to efficiency and quality compliance.

- Ibuprofen tablets 600 / 800 mg
- Cycloserine capsules Intl. Ph. 250 mg
- Nizatidine capsules 150 / 300 mg
- Ranitidine tablets 150 / 300 mg
- Ibuprofen tablets 200 / 400 mg

l) Two hard gelatine capsules filling process validated in ZRO 90T and improved the productivity.

m) Warfarin tablets 1/3/5 mg are validated in high speed compression machine and improved the productivity.

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

a) 5 ultra-performance liquid chromatography machines, 4 high-performance liquid chromatography machines, 1 CAD detector, 1 liquid chromatography –mass spectrometry, 1 UV Spectro photometry machine imported from USA and Germany are installed in Quality Control to ensure a better quality inspection of products.

b) 1,200 & 600 lt - Integrated Granulation suite was imported from Galt, Germany to enhance the granulation capacity.

c) Two hi-speed fully automatic compression machines imported from FETTE, Germany to enhance tablet compression capacities.

d) New CVC line (120 BPM) is imported from Taiwan to enhance bottle filling capacity.

e) Bulk packing line machines are upgraded with online tablet inspection system from Jekson USA.

f) Automatic outserter machine with inbuilt code verification system from Pharma Pack, China imported to enhance packing capacities.

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

Expenditure on R&D:

₹ In Million

Particulars	March 31, 2017	March 31, 2016
Capital	150.41	406.27
Revenue	1,531.17	909.00
Total	1,681.58	1,315.28

Total Foreign Exchange Earned and Used

₹ In Million

Particulars	Year ended March 31, 2017
Foreign exchange earned in terms of actual inflows	13,465.08
Foreign exchange outgo in terms of actual outflows	4,075.66

For and on behalf of the Board of Directors

Date: August 11, 2017
Place: Bengaluru

Shashank Sinha
Managing Director

Arun Kumar
Chairman

Form No. MR-3

Secretarial Audit Report

For the financial year ended 31st March 2017

[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
Bangalore – 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 ('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 2017 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 2017 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.

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

(i) Secretarial Standards (SS) issued by the Institute of Company Secretaries of India.

(ii) Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE), National Stock Exchange of India Limited (NSE).

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 commensurate to the size and nature of the company's business exist in the company to monitor and ensure compliances with applicable laws, industry specific laws, labour laws, intellectual property laws and environmental laws. We have not reviewed the applicable financial laws, direct and indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company.

We, further report that:

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

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

3. Majority 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 not issued any equity or preference shares/debentures/sweat equity except those equity shares under ESOP scheme.

b) the Company has not undertaken redemption/ buy-back of securities.

c) the Company has undertaken the following decisions taken by the members in pursuance of the Companies Act, 2013.

    (i) Divestment of Shasun Pharma Solutions Limited, UK.

    (ii) Capping of Strides' investment in Stelis Biopharma Private Limited.

d) the Company has not undertaken any foreign technical collaborations.

Place : Bengaluru
Date : 15/05/2017

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

Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152

Annexure to our Secretarial Audit Report

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
Bangalore – 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.

Place : Bengaluru
Date : 15/05/2017

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

Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152

Corporate Governance Report

1. Corporate Governance at Strides

At Strides, we are guided by our values in everything we do. Our values **ICE** stands for **Integrity**, **Collaboration and Efficiency.**

We will follow the right practices and do the right thing

We will work together, understanding and supporting each other

We will do everything to deliver quicker, better results

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

As we expand into a global and multidisciplinary organization, we want to harness the power of great team work. This cross-functional ***collaboration***, we call the power of 'One Strides'. It is one of our core values.

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

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

At Strides, we are committed to compliance with the best standards of Corporate Governance. We benchmark with the best practices from around the globe.

2. The Board of Directors

The Company is headed by an effective Board, which is collectively responsible for the long-term success of the Company. The Board of Directors ('the Board') is entrusted to guide and oversee the management and performance of the Company with the ultimate responsibility to protect the interests of shareholders, employees and the other stakeholders. The Management Committee of the Company comprising of Executive and Non-Executive Directors looks after the management of the day to day affairs of the company.

2.1 Board Composition

We believe that our Board has an appropriate mix of Executive and Non-Executive Directors to maintain its independency and to separate its function of governance and management. The Board 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 Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and represents an optimal mix of professionalism, knowledge and experience.

Board Reconstitution

The Company has completed several organic and inorganic strategies to put in place pivots for growth. To guide the management team in rolling out the future strategies, which are predominantly directed towards B2C businesses, the Board was reconstituted as under, effective May 18, 2017:

1. Mr. Deepak Vaidya, Chairman and Non-Executive Director stepped down from Chairmanship and recommended Mr. Arun Kumar to take up the role of Board Chairmanship.

2. Mr. Arun Kumar, Founder and Executive Vice Chairman moved to a Non-Executive position and as Chairman of the Board. He will continue to provide strategic inputs to the management;

3. Mr. Homi Rustam Khusrokhan was appointed as Independent Director;

4. Mr. Shashank Sinha, Group CEO of the Company was appointed as Managing Director;

5. Mr. Badree Komandur, Group CFO of the Company was appointed as Executive Director; and

6. After long and distinguished association with the Company, Mr. M.R. Umarji, Non-Executive Director, Mr. P.M. Thampi and Mr. A. K Nair, Independent Directors of the Company, Mr. Abhaya Kumar, Promoter and Executive Director of the Company relinquished their Board positions.

Post the above reconstitution, the Board Composition effective May 18, 2017 is as under:

#	Name of the Director	Designation
1	Arun Kumar	Non-Executive Director & Chairman of the Board
2	Deepak Vaidya	Non-Executive Director
3	Sridhar S	Independent Director
4	Bharat Shah	Independent Director
5	Sangita Reddy	Independent Director
6	Homi Rustam Khusrokhan	Independent Director
7	Shashank Sinha	Managing Director
8	Badree Komandur	Executive Director

Consequent to the Board reconstitution, the committees of the Board have been reconstituted as under:

Name of the Director	Category	Audit Committee	Nomination and Remuneration Committee	Stakeholder Relationship Committee	CSR Committee
Sridhar S	Independent Director	♟	√	√	-
Bharat Shah	Independent Director	√	♟	√	-
Sangita Reddy	Independent Director	√	-	-	♟
Homi R Khusrokhan	Independent Director	√	√	-	√
Deepak Vaidya	Non-Executive Director	√	√	♟	√
Arun Kumar	Non-Executive Director	√	√	√	√
Shashank Sinha	Managing Director	-	-	-	√
Badree Komandur	Executive Director	-	-	-	√

♟ Chairman of the Committee

√ Member

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

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 Director	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.	Arun Kumar* (Chairman of the Board)	Promoter & Non-Executive Director	June 28, 1990	670,797 (0.7495%)	5	-	-
2.	Deepak Vaidya#	Non-Executive Director	January 16, 1998	175,000 (0.1955%)	10	4	2
3.	Shashank Sinha (Managing Director & Group CEO)	Executive Director	May 18, 2017	21,603 (0.0241%)	-	-	-
4.	Badree Komandur	Executive Director	May 18, 2017	-	-	-	-
5.	S Sridhar	Independent Director	July 27, 2012	48,750 (0.0545%)	15	6	3
6.	Bharat Shah	Independent Director	July 25, 2014	30,000 (0.0335%)	11	6	1
7.	Sangita Reddy	Independent Director	February 7, 2014	-	15	-	-
8.	Homi Rustam Khusrokhan	Independent Director	May 18, 2017	-	4	3	3

* Mr. Arun Kumar re-designated as NED & Chairman of the Board effective from May 18, 2017

\# Mr. Deepak Vaidya stepped down as Board Chairman effective from May 18, 2017

- 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 (including Nominee Directorship) are considered. Directorships in Foreign Companies and Section 8 Companies, if any, have been excluded.

  In accordance with the provisions of Listing Regulations, while considering the position held as Member/ Chairman in Committees, only Audit Committee and Stakeholder Relationship Committee is considered. Committee membership in all public limited companies, whether listed or not, is included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded.

- 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.

2.2 Board Induction

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

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

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

2.3 Familiarization programs for Board Members

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

Site visits to various plant locations are organized 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

2.4 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 7 times. These meetings were held on May 16, 2016, August 17, 2016, October 28, 2016, November 7, 2016, December 15, 2016, February 3, 2017 and March 20, 2017. Further, the Twenty-fifth Annual General Meeting (AGM) of the Company was held on Friday, July 29, 2016.

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

Directors	May 16, 2016	August 17, 2016	October 28, 2016	November 7, 2016	December 15, 2016	February 3, 2017	March 20, 2017	AGM July 29, 2016
Deepak Vaidya	√	√	√	√	√	√	√	√
Arun Kumar	√	√	√	-	-	√	-	√
Abhaya Kumar	√	√	√	📹	📞	√	√	√
Sridhar S	√	√	√	√	√	√	√	√
M R Umarji	√	√	√	√	√	√	√	-
A K Nair	√	√	√	-	-	√	-	√
P M Thampi	√	√	√	-	-	√	√	-
Bharat Shah	√	√	√	-	√	√	√	√
Sangita Reddy	√	√	📹	-	-	-	📞	-

📹 Video Conference 📞 Audio Conference

2.5 Meetings of Independent Directors

Independent Directors of the Company met on May 16, 2016 without the presence of non-independent Directors and management personnel. The meetings of Independent Directors evaluate the performance of the Non-Independent Directors and Whole-time Directors, the Board as a whole, performance of the Chairman of the Board and discuss aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board that is necessary for it to effectively and reasonably perform its duties.

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

2.6 Appointment of Directors

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

Further, appointment of the following directors shall be subject to Members approval at the ensuing Annual General Meeting.

1. Mr. Homi Rustam Khusrokhan as an Independent Director for a period of 5 years from May 18, 2017.
2. Mr. Shashank Sinha as Managing Director for a period of 3 years with effect from May 18, 2017.
3. Mr. Badree Komandur as Executive Director for a period of 3 years with effect from May 18, 2017.

A brief profile of Mr. Homi Rustam Khusrokhan, Mr. Shashank Sinha and Mr. Badree Komandur is provided in Annexure CG-1 attached to this report.

2.7 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 year under review and Directors' attendance in such meetings is as under:

Board Committees	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee (CSR)
Meetings held	6	4	4	2
Directors' attendance				
Deepak Vaidya	6	4	4	2
Arun Kumar	NA	NA	NA	2
Abhaya Kumar S	NA	NA	NA	1
S Sridhar	6	NA	NA	NA
M.R. Umarji	6	4	4	NA
A.K. Nair	4	3	4	NA
P.M. Thampi	5	4	4	2
Sangita Reddy	4*	NA	NA	2**
Bharat Shah	6	NA	NA	NA

N.A. – Not a member of the Committee

* Includes one meeting attended through Video Conference and one meeting attended through Audio Conference.

** Includes one meeting attended through Video Conference.

3. Audit Committee

Composition of the Committee during the FY 2017 was as under:

#	Name of the Director	Category of Directorship	Designation
1	Sridhar S	Independent Director	Chairman
2	P.M. Thampi	Independent Director	Member
3	A.K. Nair	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

3.1 Audit Committee Meetings

The Committee met 6 times during the period under review i.e., on May 16, 2016, August 17, 2016, October 28, 2016, December 15, 2016, February 3, 2017 and March 20, 2017. Attendance of members at the Committee Meeting is provided at Item No. 2.7 above.

The meetings of the Audit Committee are also attended by Managing Director, Executive Director, Group CFO & Company Secretary, Statutory Auditors and Internal Auditors. The Company Secretary acts as the Secretary of the Committee.

3.2 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's responses.

(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 utilization of proceeds of funds raised through issue (public/ rights/ preferential etc.), the statement of funds utilized 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, 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 every 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 Annual General Meeting to answer shareholder queries.

(f) The Committee must review the quarterly statement submitted to the stock exchange, in compliance with Listing Regulations. 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 utilized 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.

4. Nomination and Remuneration Committee

Composition of the Committee during the FY 2017 was as under:

#	Name of the Director	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

Meetings of the Committee - The Committee met 4 times during the period under review on May 16, 2016, October 28, 2016, February 3, 2017 and March 20, 2017. Attendance of members at the Committee Meeting is provided at Item No. 2.7 above.

4.1 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 performance of all the Independent Directors and the Board.

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

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

(e) To formulate criteria and evaluate the performance of various Committees of the Board viz., Audit Committee, Stakeholders Relationship Committee, Remuneration Committee and the CSR Committee

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

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

(h) To recommend to the Board the appointment and removal of Directors and Senior Management Personnel, in accordance with the criteria laid down in the policy.

(i) To recommend to the Board, a policy relating to remuneration of Directors, KMPs and Senior Management Personnel.

(j) To assist the Board of Directors in the Board's overall responsibilities relating to Employee Stock Options Schemes, 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.

(k) 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.

4.2 Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, 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.

The Evaluation process focused on various aspects of the functioning of the Board such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgement. The results of the Evaluation were shared with the Chairman of the Board.

4.3 Remuneration Policy

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

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

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

4.4 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 policies.

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.

The Company has formulated a policy which is uploaded on the website of the Company –

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

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	3,85,31,200	14,68,800	-	4,00,00,000
Abhaya Kumar	2,06,71,333	18,25,200	-	2,24,96,533

2) Non-Executive & Independent Directors

#	Name of the Directors	Sitting fee (₹)	Commission/ Bonus (₹)	Total (₹)
1	Deepak Vaidya	650,000	-	650,000
2	M.R. Umarji	650,000	-	650,000
3	A.K. Nair	400,000	-	400,000
4	P.M. Thampi	500,000	-	500,000
5	S Sridhar	650,000	-	650,000
6	Sangita Reddy	200,000	-	200,000
7	Bharat Shah	600,000	-	600,000

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

5. Stakeholders' Relationship Committee

Composition of the Committee during the FY 2017 was as under:

#	Name of the Directors	Category of Director	Designation
1	A.K. Nair	Independent Director	Chairman
2	P.M. Thampi	Independent Director	Member
3	Deepak Vaidya	Non-Executive Director	Member
4	M.R. Umarji	Non-Executive Director	Member
5	Badree Komandur*	Group CFO & CS	Secretary of the Committee

* Mr. Badree Komandur resigned from the position of Company Secretary w.e.f February 3, 2017. Ms. Manjula Ramamurthy was appointed as Company Secretary and Compliance Officer of the Company effective February 3, 2017.

5.1 Meetings of the Committee

The Committee met 4 times during the period under review i.e. on May 16, 2016, August 17, 2016, October 28, 2016 and February 3, 2017. Attendance of members at the Committee Meeting is provided at Item No. 2.7 above.

The Company Secretary acts as the Secretary of the Committee.

5.2 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 of document issued in respect of any other securities of the Company after split/ consolidation/ rematerialization of shareholding.

ii. Printing of share certificates or any other certificate of document issued in respect of any other securities of the Company.

iii. Issue of duplicate share certificates/ other certificate of document issued in respect of any other securities of the Company.

5.3 Investor/ Shareholder Complaints

During the year under review, there were 269 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)	103	103	0
2	Non receipt of annual reports	53	53	0
3	Non receipt of securities	99	99	0
4	Non receipt of securities after transfer	4	4	0
5	Non receipt of electronic credits	0	0	0
6	Non receipt of duplicate/ transmission/ deletion of share certificates	1	1	0
7	Investor complaints filed with SEBI SCORES	3	3	0
8	Investor Complaints filed with Stock Exchange	6	5	1*
	Total	**269**	**268**	**1***

* The unresolved complaint was resolved on April 11, 2017.

5.4 Reconciliation of Share Capital Audit

The Company conducts a share capital audit on a quarterly basis in accordance with requirements of Securities and Exchange Board of India (Depositories and Participants) Regulations 1996 & SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated December 31, 2002.

The Reconciliation of Share Capital Audit Report obtained from a Practicing Company Secretary, which has been submitted to the Stock Exchanges within the stipulated period, certifies that the equity shares of the Company held in the dematerialized form and in the physical form confirms to the issued and paid up equity share capital of the Company.

5.5 Secretarial Compliance Certificate

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

5.6 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, 2017 is annexed to the Board's Report and does not contain any qualification, reservation or adverse remark.

6. Corporate Social Responsibility (CSR) Committee

6.1 Composition of the Committee

The Committee is chaired by an Independent Director. Composition of the Committee during the FY 2017 was as under:

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

6.2 Committee Meeting Details

The CSR Committee met twice during the period under review i.e., on May 16, 2016 and February 3, 2017. Attendance of members at the Committee Meeting is provided at Item No. 2.7 above.

The Company Secretary acts as the Secretary of the Committee.

6.3 Terms of reference of the Committee

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

a) The Committee shall have free access to management and management information. The Committee, at its sole authority, may seek the advice of outside experts or consultants at the company's expense where judged necessary, to discharge its duties and responsibilities

b) The Committee shall frame, review and recommend changes to the CSR Policy and/ or associated activities of the Company

c) The Committee shall monitor the adherence by the Company with the CSR Policy

d) The Committee shall ensure that the Company is taking the appropriate measures to implement the CSR activities as mentioned in the policy successfully

e) The Committee shall identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities

f) The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval

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

7. General Body Meetings

1) Annual/Extra Ordinary General Meetings

The details of the Annual General Meeting (AGM) / Extraordinary General Meeting (EGM) held during the preceding three years and Special Resolutions passed therein are summarized as under:

AGM/ EGM	Date /Time	Venue	Special Resolutions passed
25th AGM for FY ending March 31, 2016	July 29, 2016 12.00 Noon	Four Points by Sheraton, Plot No. – 39/1, 6 to 15, Sector – 30A, Vashi, Navi Mumbai – 400 701	1) Appointment of Mr. Abhaya Kumar as an Executive Director of the Company. 2) Adoption of new set of Articles of Association of the Company
24th AGM for FY ending March 31, 2015	July 30, 2015 11.30 AM	The Regenza By Tunga, Plot no. 37-A, Vashi, Navi Mumbai – 400 703	NIL
23rd AGM for FY ending March 31, 2014	Sept 9, 2014 11.00 AM	The Regenza By Tunga, Plot no. 37-A, Vashi, Navi Mumbai – 400 703	1) Re-appointment of Mr. Arun Kumar as Managing Director; 2) Appointment of Mr. A K Nair as Independent Director; 3) Appointment of Mr. P M Thampi as Independent Director; and 4) Increase in borrowing power of the Company
EGM	December 12, 2015 10.30 AM	The Chancery Pavilion, 135, Residency Road, Bangalore – 560 025.	Approval to raise long term funds upto ₹1,500 Crores.

2) Postal Ballot: During FY 2016-17, the Company has conducted the following Postal Ballots

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 16, 2016	June 28, 2016	Divestment of Shasun Pharma Solutions Limited, UK	Ordinary	27,157,607	24,193,453	89.09	2,745,427	10.11
February 3, 2017	March 22, 2017	Capping of Strides' investment in Stelis Biopharma Private Limited	Ordinary	23,010,637	21,879,074	95.08	1,041,757	4.53

The business considered under the above Postal Ballots did not require Members approval under the Companies Act, 2013 or Listing Regulations, as they did not trigger the requisite thresholds prescribed therein. However, the Company, keeping up with the good governance practices, sought the approvals of non-promoter Members of the Company for this proposal.

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, is being 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 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 Scrutinizer 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/ authorized 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.

8. Affirmations and Disclosures

a) The Company has complied with all the mandatory requirements as also a few non-mandatory requirements, as prescribed under Regulation 27(1) of the Listing Regulations like unmodified audit opinion on financial statements and appointment of separate persons to the post of Chairperson, Managing Director and Chief Executive Officer.

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-committeeboard.html

Transactions with the related parties are disclosed in Note no. (45) 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 Stakeholders of the Company. None of the personnel of the Company has been denied access to the Audit Committee.

e) As required under Listing Regulations, the Company has formulated a policy for determining "material subsidiaries" which is uploaded on the website of the Company - http://www.stridesarco.com/investor-committeeboard.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.

9. Shareholders' Communication

The Company recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. The Company regularly communicates to its stakeholders through multiple channels of communications such as results announcement, annual report, media releases and hosting information in Company's website.

Shareholders seeking information related to their shareholding may contact the Company directly or through Karvy 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, Lokmat.

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 website.

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

c) **NSE Electronic Application Processing System (NEAPS)**

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

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

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

e) **SEBI Complaints Redress System (SCORES)**

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 compliant 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 Accounts, Consolidated Financial Statements, Auditors' Report and other important information is circulated to members and other stakeholders. Annual Reports are also emailed to the shareholders who have registered their email IDs with the Company/ depositories.

The annual report is also available on the Company's corporate website in a user-friendly and downloadable form.

10. General Shareholders Information

a) Annual General Meeting 2017

Day/ Date	Friday, September 15, 2017
Time	1215 hrs
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 2017-18

Financial Reporting for Quarter/ Half Year ended	During
June 30, 2017	August, 2017
September 30, 2017	October, 2017
December 31, 2017	February, 2018
March 31, 2018	May, 2018

c) Date of Book closure

September 9, 2017 to September 15, 2017 (both days inclusive)

d) Dividend

The Board of Directors of the Company at their meeting held on May 18, 2017, subject to the approval of the shareholders at the Annual General Meeting had recommended a final dividend of ₹ 4.50/- per share on equity share of face value of ₹ 10/- each for the financial year ended March 31, 2017.

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

e) Unclaimed Dividends

As per the Act, 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) Demat suspense account/ unclaimed suspense account

Equity shares in the suspense account:

In accordance with the provisions of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account.

The status of outstanding unclaimed shares in the Unclaimed Share Suspense Account of the Company is as under:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	4,435	101,957
Shareholders who approached the Company for transfer of shares from suspense account during the year	3	321
Shareholders to whom shares were transferred from the suspense account during the year	3	321
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2017	4,432	101,636

The voting rights on the shares outstanding in the suspense account as on March 31, 2017 shall remain frozen till the rightful owner of such shares claims the shares.

g) 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 is as follows:

Financial Year Ending	Type of Dividend	Dividend Rate	Date of declaration	Due date for transfer to IEPF
31 December 2009	Final	15%	31 May 2010	06 July 2017
31 December 2010	Final	15%	30 May 2011	05 July 2018
31 December 2011	Final	20%	25 May 2012	30 June 2019
31 December 2012	Final	20%	10 June 2013	16 July 2020
31 March 2014	Special	5000%	10 December 2013	15 January 2021
	Final	50%	9 September 2014	15 October 2021
31 March 2015	Special	1050%	7 October 2014	12 November 2021
	Final	30%	30 July 2015	04 September 2022
31 March 2016	Final	40%	29 July 2016	03 September 2023

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

Financial Year Ending	Type of Dividend	Dividend Rate	Date of declaration	Due date for transfer to IEPF
31 March, 2010	Final	50%	30 July 2010	04 September2017
31 March, 2011	Final	15%	29 July 2011	03 September 2018
31 March, 2012	Interim	100%	15 March 2012	20 April 2019
	Final	20%	02 Aug 2012	07 September 2019
31 March, 2013	Final	75%	02 Aug 2013	07 September 2020
31 March, 2014	Final	50%	06 Aug 2014	11 September 2021
31 March, 2016	Interim	50%	30 July 2015	4 October 2022

Due date for transfer of unclaimed amount arising from sale of fractional shares pursuant to the merger of Shasun Pharmaceuticals Limited with the Company:

Financial Year Ending	Date of transaction	Due date for transfer to IEPF
31 March 2016	27 Jan 2016	03 March 2023

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

h) 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

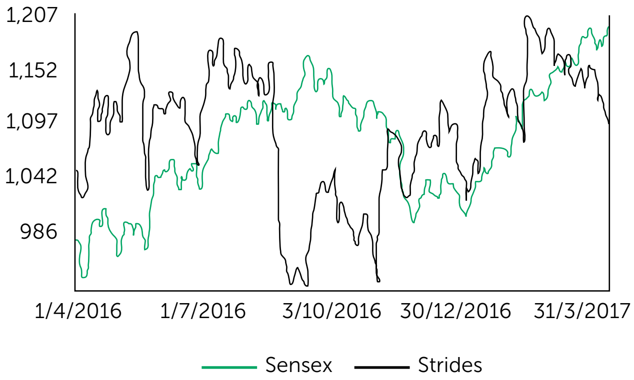
The Company has paid listing fees to all the above stock exchanges and there is no outstanding payment as on date of this report.

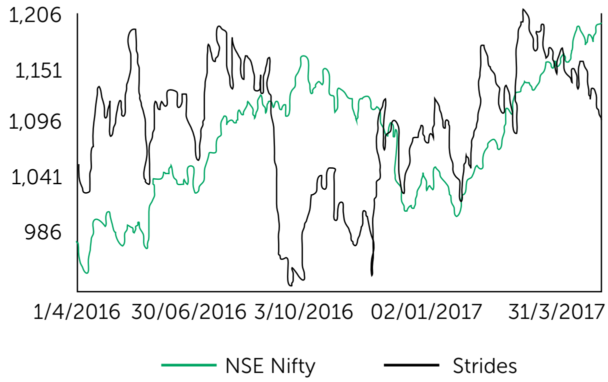
i) Market Price Data

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, 2016	1,153.00	1,010.00	5,985,761	1,160.75	1,011.30	862,401
May, 2016	1,216.35	998.05	7,405,493	1,215.00	999.00	1,042,657
June, 2016	1,167.80	1,010.00	5,006,627	1,166.05	1,014.65	777,066
July, 2016	1,205.00	1,120.35	4,607,273	1,205.00	1,120.00	618,815
August, 2016	1,174.75	918.00	11,002,059	1,174.80	918.00	1,633,063
September, 2016	1,064.00	927.20	10,459,307	1,062.10	928.95	1,924,669
October, 2016	1,062.00	935.00	7,142,192	1,058.00	936.95	807,128
November, 2016	1,147.00	975.05	11,832,739	1,147.50	975.00	1,311,235
December, 2016	1,129.00	1,014.10	5,294,875	1,128.95	1,014.00	995,628
January , 2017	1,182.00	1,042.60	6,424,369	1,196.00	1,043.80	700,819
February, 2017	1,274.70	1,053.00	8,714,227	1,259.00	1,052.95	966,994
March, 2017	1,185.00	1,091.00	7,916,003	1,182.05	1,081.60	2,462,620

j) Performance of Strides Shasun Limited Share Price to Broad Based Index (BSE Sensex and NSE Nifty)





k) 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

l) Share Transfer System

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

m) Distribution of Shareholding as on March 31, 2017

Slab of Shareholding	No. of Shareholders	% to Total Number of Shareholders	No. of Shares	Amount (₹)	% to paid up capital
1 – 5,000	61,873	96.02	3,710,019	3,71,00,190	4.15
5,001 – 10,000	1,279	1.98	9,72,049	97,20,490	1.09
10,001-20,000	528	0.82	7,68,456	76,84,560	0.86
20,001-30,000	183	0.28	4,54,308	45,43,080	0.51
30,001-40,000	101	0.16	3,60,075	36,00,750	0.40
40,001-50,000	63	0.10	2,91,002	29,10,020	0.33
50,001-1,00,000	115	0.18	8,33,301	83,33,010	0.93
1,00,001 and above	296	0.46	8,20,33,796	82,03,37,960	91.73
TOTAL	**64,438**	**100.00**	**8,94,23,006**	**89,42,30,060**	**100.00**

n) Shareholding Pattern as at March 31, 2017

#	Category	No. of shares held	% to total shareholding
1.	Indian Promoters	27,798,384	31.09
2.	Mutual Funds	11,209,440	12.54
3.	Banks, Indian Financial Institutions, Insurance Companies	1,352,412	1.51
4.	Foreign Institutional Investors/ Foreign Portfolio Investors	30,280,932	33.86
5.	Foreign Venture Capital Investors	564,306	0.63
6.	Bodies Corporate & NBFC	3,074,134	3.44
7.	Non-Resident Indians/ Foreign Nationals Overseas Corporate Bodies	1,988,556	2.22
8.	Others (including Indian Public, Clearing Members, Trust, etc)	13,154,842	14.71
	TOTAL	**89,423,006**	**100.00**

o) **Dematerialization of Shares & Liquidity**

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

As at 31st March, 2017, 99.75 % of the paid-up share capital of the Company representing 89,200,715 shares has been dematerialized and balance 0.25% representing 222,291 shares of the Company is in physical form.

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

p) **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.

11. Manufacturing Facilities:

(i) USFDA approved Formulations Facility

Sl No	Type	Address
1	Oral Dosage Facility	KRS Gardens, Suragajakkanahalli, Kasaba Hobli, Anekal Taluk, Bangalore – 562 106, India
2	Finished Dosage Facility	PIMS Road, Periyakalapet , Puducherry – 605 014, India
3	Semi-Solids Facility	20095 Cusano MIL, Via Stelvio, 66, Italy
4	Oral Dosage Facility	Plot no. 101 to 108, Sidco Industrial Estate, Alathur village, Kancheepuram - 603 110

(ii) USFDA approved API facility

Sl No	Address
1	Plot No.-N39/N39-1, Additional MIDC, Anand Nagar, Ambernath (E), PIN -421 506, India
2	No. A1/B, SIPCOT Industrial Complex Kudikadu, Cuddalore – 607 005, India
3	Mathur Road, Periyakalapet Puducherry – 605 014, India

(iii) Facilities for Emerging Markets

Sl No	Type	Address
1	Oral Dosage Facility	#19/1,19/3, Chandapura, Sarjapura Hobli, Anekal taluk, Bangalore -560 099, India
2	Semi-Solids Facility	Club Road, Past Post Office, Plot No. 13777, P.O.Box 1748- 00902, Kikuyu Town, Kenya

(iv) R&D Centre of the Company located at

Sl No	Type	Address
1	Bangalore	165/2, Bilekahalli Village, Begur Hobli, Bangalore South Taluk, JP Nagar 7th Phase, Bannerghatta Road, Bangalore – 560 076.
2	Chennai	27, Vandaloor Kelambakkam Road, Keelakottaiyur Village, Melakottaiyur (PO), Chennai - 600 127.

q) Investors Correspondence

Registered Office :	No. 201, 'Devavrata', Sector 17, Vashi, Navi Mumbai - 400 703., Tel. No. +91-22-2789 2924 Fax No. +91-22-2789 2942
Corporate Office :	Strides House, Bilekahalli, Bannerghatta Road, Bangalore – 560 076 Tel. No.: +91 80 6784 0000/ 0290 Fax No. +91 80 6784 0700 e-mail id. : investors@stridesshasun.com
Compliance Officer under Listing Regulations	Ms. Manjula Ramamurthy Company Secretary Tel. No.: +91 80 6784 0734 Fax No. +91 80 6784 0800 e-mail id. : manjula.r@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 2342 0814 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 authorized under the Code.

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

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

"I confirm that the Company has in respect of the period ended March 31, 2017, received from its Board Members as well as Senior Management Personnel affirmation as to compliance with the Code of Conduct."

Shashank Sinha
Managing Director

Place: Bengaluru, India
Date: August 11, 2017

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF STRIDES SHASUN LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated November 3, 2016.

2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of **STRIDES SHASUN LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining 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.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.

9. 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)

Sathya P. Koushik
Partner
(Membership No. 206920)

Date: August 11, 2017
Place: Bengaluru

Annexure CG 1

Sl no	Name of the Director	Brief Profile	Other Directorships Held	Committee Membership
NON-EXECUTIVE DIRECTORS				
1	Arun Kumar Founder & Chairman (DIN: 00084845)	Mr. Arun is the Founder of the Company and has been on the Board since its inception in 1990. Mr. Arun was re-designated from Managing Director to Non-Executive Director and Chairman of the Company with effect from May 18, 2017 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 August 11, 2017, 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. Spire technologies and Solutions Private Limited	-
			3. Stelis Biopharma Private Limited	1. Audit Committee
			4. Skanray Healthcare Global Private Limited	-
			5. Tenshi Kaizen Private Limited	-
2	Deepak Vaidya (DIN: 00337276)	Mr. Deepak was appointed to our Board on January 16, 1998 and has been associated with the Company since then. 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. Limited for over 12 years. He is experienced in the corporate financial services industry in India and abroad. As at August 11, 2017, 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	1. Audit Committee (Chariman) 2. Nomination & Remuneration Committee 3. Investment Committee
			2. Apollo Gleneagles Hospital Limited	1. Audit Committee (Chairman) 2. CSR Committee (Chairman) 3. Nomination & Remuneration Committee (Chairman)
			3. Arc Advisory Services Private Limited	-
			4. Capricorn Securities India Private Limited	-
			5. Indraprastha Medical Corporation Limited	1. Audit Committee
			6. Marudhar Hotels Private Limited	-
			7. PPN Power Generating Company Private Limited	1. CSR Committee
			8. Suntec Business Solutions Private Limited	1. Audit Committee
			9. UTI Capital Private Limited	1. Audit Committee 2. Nomination & Remuneration Committee
			10. Stelis Biopharma Private Limited	1. Audit Committee 2. Nomination & Remuneration Committee

Sl no	Name of the Director	Brief Profile	Other Directorships Held	Committee Membership
INDEPENDENT DIRECTORS				
3	Sridhar S (DIN: 00004272)	Mr. Sridhar was appointed to our Board on July 27, 2012. He holds a Bachelor's degree (honours) in Physics from the Bangalore University and a Master's degree in Physics from the Indian Institute of Technology, Delhi. He also holds an honorary fellowship awarded by the Governing Council of the Indian Institute of Banking and Finance. 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. He was awarded the Lord Aldington Banking Research Fellowship for the year 1984 by the Indian Institute of Bankers. As at August 11, 2017, 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.	1. Binani Industries Limited	1. Audit Committee
			2. DCB Bank Limited	1. Nomination & Remuneration Committee (Chairman) 2. CSR Committee
			3. GVFL Trustee Company Private Limited	-
			4. Incube Trustee Company Private Limited	-
			5. India Infoline Housing Finance Limited	1. Audit Committee (Chairman)
			6. JP Morgan Mutual Fund India Private Limited	1. Audit Committee
			7. Jubilant Life Sciences Limited	1. Audit Committee (Chairman) 2. Stakeholders Relationship Committee
			8. NABARD Consultancy Services Private Limited	-
			9. Sewa Grih Rin Limited	1. Audit Committee
			10. Shriram Transport Finance Company Limited	1. Audit Committee (Chairman)
			11. Strategic Research and Information Capital Services Private Limited	-
			12. Tourism Finance Corporation of India Limited	1. CSR Committee
			13. Khadim India Limited	-
			14. National Securities Depository Limited	-
			15. Universal Trustees Private Limited	-

Sl no	Name of the Director	Brief Profile	Other Directorships Held	Committee Membership
4	Bharat D Shah (DIN: 00136969)	Mr. Bharat 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, 3M India Limited and Exide Industries Limited. He is also on the boards of several companies and has been one of the founder members of HDFC Bank Limited. As at August 11, 2017, 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.	1. AGS Transact Technologies Limited	1. Audit Committee 2. Nomination & Remuneration Committee (Chairman) 3. CSR Committee 4. Stakeholders Relationship Committee 5. Risk Management Committee
			2. Exide Industries Limited	1. CSR Committee (Chairman)
			3. HDFC Securities Limited	1. Nomination & Remuneration Committee 2. CSR Committee 3. Capex Committee
			4. Hexaware Technologies Limited	1. Nomination & Remuneration Committee 2. CSR Committee (Chairman) 3. Strategy & Risk Committee
			5. IDFC Alternatives Limited	1. Audit Committee 2. Nomination & Remuneration Committee 3. CSR Committee
			6. India Transact Services Limited	1. Nomination & Remuneration Committee (Chairman)
			7. Salisbury Investments Private Limited	-
			8. TATA Sky Limited	1. Audit Committee 2. Nomination & Remuneration Committee (Chairman)
			9. 3M India Limited	1. Audit Committee 2. Nomination & Remuneration Committee 3. CSR Committee (Chairman) 4. Stakeholders Relationship Committee (Chairman)
			10. Mahindra Lifespace Developers Limited	1. Rights Issue Committee
			11. Amadeus Advisors Private Limited	-

Sl no	Name of the Director	Brief Profile	Other Directorships Held	Committee Membership
5	Sangita Reddy (DIN: 00006285)	Ms. Sangita 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. 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. 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. As at August 11, 2017, Sangita does not hold any equity shares in the Company and is not related to any other Director of the Company.	1. AMG Healthcare Destination Private Limited	1. Audit Committee
			2. Apollo Gleneagles 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. Elixir Communities Private Limited	-
			10.Family Health Plan (TPA) Limited	-
			11. Searchlight Health Private Limited (formerly known as Health Superhiway Private Limited)"	-
			12. Healthnet Global Limited	-
			13. Imperial Hospital And Research Centre Limited	1. CSR Committee
			14. KAR Auto Private Limited	-
			15. PCR Investments Limited	-
6	Homi Rustam Khusrokhan (DIN: 00005085)	Mr. Homi was appointed to our Board on May 18, 2017. He holds a Master's degree in Economics from the London School of Economics and is a Chartered Accountant. He has over 40 years' experience in the corporate sector. He is an independent Director on the Board of ICICI Bank Limited and has earlier been the Managing Director of Tata Tea Limited, Tata Chemicals Limited and Glaxo & Burroughs Wellcome in India. Homi has experience and expertise in pharmaceuticals, agriculture related businesses, international business and mergers & acquisitions. He retired from the Tata Group in 2008 and is now a Senior Advisor to Tata Capital's Private Equity Funds. He is President of the Bombay Natural History Society (BNHS). As at August 11, 2017, Homi does not hold any equity shares in the Company and is not related to any other Director of the Company.	1. Amanta Healthcare Limited	-
			2. ICICI Bank Limited	1. Audit Committee (Chairman) 2. Stakeholders Relationship Committee (Chairman) 3. IT Strategy Committee (Chairman) 4. Board Governance, Remuneration & Nominations Committee (Chairman) 5. Risk Committee 6. Credit Committee 7. Fraud Monitoring Committee
			3. Novalead Pharma Private Limited	-
			4. Samson Maritime Limited	1. Audit Committee (Chairman) 2. CSR Committee 3. Remuneration & Nominations Committee (Chairman)

Sl no	Name of the Director	Brief Profile	Other Directorships Held	Committee Membership
EXECUTIVE DIRECTORS				
7	Shashank Sinha Managing Director (DIN: 02544431)	Mr. Shashank was appointed to the Board on May 18, 2017. He is the Managing Director and is associated with the Company since March 2016. Shashank has a Bachelor's Degree in Engineering and received his MBA (Post Graduate Diploma in Management) from Indian Institute of Management, Lucknow. Prior to Strides, he led the global flexibles business of Huhtamaki Oyj, a leading consumer packaging company headquartered in Finland. He has also held senior leadership positions at Godrej Consumer Products Ltd, Sara Lee Corporation and Reckitt Benckiser plc. Shashank brings wide international experience in a variety of customer facing businesses. As at August 11, 2017, Shashank holds 21,603 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.	-	-
8	Badree Komandur Executive Director (DIN: 07803242)	Mr. Badree was appointed to the Board on May 18, 2017. He is the Group CFO of the Company and is associated with Strides since February 2010. He holds a Degree in Commerce from the University of Madras and is a member of the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and the Institute of Cost and Works Accountants of India. Prior to joining Strides, Badree has 15 years of industrial experience in Information Technology and Engineering Sectors. As at August 11, 2017, Badree does not hold any equity shares in the Company and is not related to any other Director of the Company.	-	-

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

#	Description	
1.	Corporate Identity Number (CIN) of the Company	L24230MH1990PLC057062
2.	Name of the Company	Strides Shasun Limited (Formerly Strides Arcolab Limited)
3.	Registered Address	201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400 703
4.	Website	www.stridesarco.com
5.	E-mail id	investors@stridesshasun.com
6.	Financial Year reported	2016-17
7.	Sector that the Company is engaged in (industrial activity code-wise)	Pharmaceutical
8.	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	1. Ibuprofen – API 2. LNZ Tablet 3. Combiart – Tablet
9.	Total number of locations where business activity is undertaken by the Company	
	Number of International locations	Singapore, Australia, US, Europe, Africa (Two manufacturing facilities - one in Europe and one in Africa)
	Number of National Locations	**Registered Office:** Vashi, Navi Mumbai, Maharashtra
		Corporate Office: Bangalore, Karnataka **Chennai Office:** Guindy, Chennai, Tamil Nadu
		Facilities: 1) Suragajakkanahalli, Bangalore, Karnataka 2) Chandapura, Bangalore, Karnataka 3) PIMS Road, Periyakalapet, Puducherry 4) Mathur Road, Periyakalapet, Puducherry 5) Cuddalore, Tamil Nadu 6) Ambernath, Maharashtra 7) Alathur, Kancheepuram
		R&D Centres: Bangalore, Karnataka Chennai, Tamil nadu
10.	Markets served by the Company – Local/ State/ National/ International	The Company has a strong commercial footprint across 85+ countries served across 5 continents.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

#	Description	
1.	Paid-Up Capital – FY 2016-17	₹ 89.423 Crores
2.	Total Turnover	₹ 2,285.90 Crores
3.	Total profit after taxes	₹ 108.53 Crores
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% of the average net profit of the last three years
5.	List of activities in which expenditure in 4 above has been incurred	Areas in which the Company has spent under CSR: Health & Hygiene, Education and Employability. A detailed report on CSR initiatives forms part of the Board's Report as Annexure 6.

SECTION C: OTHER DETAILS

#	Description	
1.	Does the Company have any Subsidiary Company/ Companies	The Company has over 50 subsidiaries, both in India and overseas, list of which forms part of the Board's Report as Annexure 2.
2.	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company (s)	The Company's Business Responsibility Initiatives were not extended to its subsidiaries during the reporting period.
3.	Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	In due course, the Company intends to extend its sustainability policies and initiatives beyond its boundaries and spread awareness among its several stakeholders.

SECTION D: BR INFORMATION

1. Details of Director/ Directors responsible for BR

a. Details of the Director/ Directors responsible for implementation of the BR policy/ policies

1	DIN Number	02544431
2	Name	Mr. Shashank Sinha
3	Designation	Managing Director

b. Details of the BR head

1	DIN Number	Not Applicable
2	Name	Mr. Ramaraju PVS
3	Designation	Chief Operating Officer - Global Head, Manufacturing
4	Telephone number	+91 80 6784 0290
5	E-mail id	ramaraju.pvs@stridesshasun.com

Principle-wise (as per NVGs) BR Policy/ policies

c. Details of compliance (Reply in Y/N)

#	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies are drafted in line with the provisions of the respective laws prevalent in India								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The policies are approved by the Functional Heads, while few of them have been adopted by the Board.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	While a few of the policies mandate requirement of a Board Committee, the rest of them are monitored by the management team.								
6.	Indicate the link for the policy to be viewed online?	Link to the policies which are available on the website is as under: http://www.stridesarco.com/investor-committeboard.html								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the company have in-house structure to implement the policy/ policies.	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	No								

d. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

#	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	√	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

2. Governance related to BR

#	Description	
1.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company: Within 3 months, 3-6 months, Annually, More than 1 year	Annually by the Board of Directors
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This report shall be published annually as a part of the Annual Report, which will be available on the Company's website as well

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1:

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Strides Shasun Limited is a vertically integrated global pharmaceutical Company headquartered in Bangalore, India. The Company has four business verticals, viz., Regulated Markets, Emerging Markets, Institutional Business and Active Pharmaceutical Ingredients.

As at the date of the report, the Company has global manufacturing foot print with nine manufacturing facilities spread across three continents including seven USFDA approved facilities and two facilities for the emerging markets. The Company has two dedicated R&D facilities in India with global filing capabilities and a strong commercial footprint across eighty-five countries.

We are devoted towards a holistic approach to corporate governance. We benchmark our corporate governance activities to best practices across the globe. Our strategy is directed towards having a sharper focus on compliance.

The values that define our business ethos are: Integrity, Collaboration and Efficiency.

- Integrity - We will follow the Right Practices and do the Right thing;
- Collaboration – We will work Together - understanding and supporting each other;
- Efficiency – We will do everything to deliver quicker and better results.

It is these values that have helped us not only instigate trust in our Company, but also develop strong relationships with all our stakeholders thereby creating long-term value for society and our business.

The Code of Conduct relating to ethics, bribery and corruption is integrated in our well established and implemented 'Code of Conduct' for the Board, Senior Management and Employees. The existing Code does not cover suppliers, contractors and business partners.

The Whistle-Blower policy is formulated with a view to provide a mechanism for employees of the Company to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. It is applicable to not just our employees but also extends to our business associates. Some of the malpractices and events covered under this policy are - negligence causing substantial and specific danger to public health & safety, deliberate violation of law/regulation, breach of Company Policy or failure to implement or comply with any approved Company Policy, wastage/misappropriation of company funds/assets, etc.

All disclosures reported under our Whistle-Blower Policy are thoroughly investigated by the HR Head, who is the Whistle Officer of the Company. The Whistle Officer oversees the investigations under the authorization of the Audit Committee. During the reporting period, no stakeholder complaints were received on ethics, transparency and accountability.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

We are dedicated to manufacturing the products that are socially beneficial, economically and environmentally sustainable throughout their life cycle. We have implemented the Oracle Agile Product Lifecycle Management for all our R&D operations. The product suite, in addition to aggregation of development data for our dossiers prepared for regulatory filing, helps us to track the entire lifecycle of development until the launch of our products.

With a vision to touch billions of lives through our high-quality pharmaceuticals, while delivering value to all stakeholders – patients, investors and community; we incorporate sustainable and rightful practices throughout the product development process.

Our key products wherein social and environmental friendly designs have been incorporated are:

i. Virpas (combination of Sofosfovir and Ledipasvir tablet) for Hepatitis C treatment

ii. Nuprin Plus (combination of Dexibuprofen and paracetamol tablet) for moderate to severe pain management

The Company, being a mass multi-product manufacturing and multi-facility established company, monitors the resource consumption in batches. Currently, monitoring of resource consumption for manufacturing each unit of product is not feasible. However, we are aware of the importance of adopting highest standards of environmental and social practices in all our manufacturing locations.

Each of our manufacturing locations monitor the energy, water and fuel consumption on periodic basis. We have undertaken various measures towards identifying our environmental risks and develop mitigation plans to address them. All our manufacturing locations are certified to ISO 14001: 2015.

Production Details – FY 2016-17

S. No.	Type of Products Manufactured	Units	Quantity Produced
1	Oral Dosage	Tonne	2,261.75
2	Active Pharmaceutical Ingredients	Tonne	7,271.305

Resource Consumption Details – FY 2016-17

S. No.	Type of Resource Utilized	Units	Consumption
1	Water	KL	590,372
2	Electricity	kWh/Annum	81,432,989.44
3	Fuel		
	a) HSD	KL	1,608.905
	b) FO	KL	1,400.20
	c) Briquette	Tonne	23,232.09

Sustainable Sourcing

We address elements of sustainable sourcing like Ethics, Labour & Human Rights, Wages & Benefits, Health & Safety and Environment in the Purchase/ Service orders released to our vendors and suppliers. While we are in the process of developing a well-defined 'Supplier Code of Conduct' with an endeavor to integrate sustainability in our procurement process for all our products and services, we do conduct audit and due diligence prior to sourcing of materials/ availing services from the vendors. The sourced products are submitted for approval with the regulatory authorities and post their approval, such materials are used in our final products.

Sourcing from local and small producers

The Company does procure goods from local and small producers who comply with our quality requirements. We follow required statutory obligation to meet sustainability with the Micro, Small & Medium Enterprises.

Our supply chain strategy management believes in facilitating local economic growth by encouraging and supporting the local suppliers in the vicinity of our area of operation. Local sourcing also helps us in reducing the air emissions from the vehicular movement. In this financial year, we procured 40% of our required materials from local (India) suppliers.

We also educate our vendors and suppliers on the current needs of quality standards, regulatory compliances to adhere to and share good industry practices with them.

Product Recycle and Waste Management

It is our endeavor to bring safe, effective and affordable treatments to global markets, while operating to the highest standards of compliance. We therefore use only the finest quality of raw materials and implement precautionary approach to check that no waste/ rejected batch materials are returned to the production process. We also ensure that the waste generated is appropriately channeled for incineration as these are bio-medical waste and requires effective disposal mechanisms.

We have also taken steps towards effective treatment of the process generated waste water. The process water is treated in the waste water treatment plant and reused for garden/ lawn inside the plant premises across all sites in India. In FY 2016-17, we treated 96,945 KL of waste water.

Principle 3

Businesses should promote the well-being of all employees

We acknowledge that our employees are the drivers of our development and consider them to be our greatest assets. Our vision is to create a working environment that facilitates their personal well-being while meeting our business needs. We are committed to providing a work environment that ensures that every employee is treated with dignity, respect and equality.

Health & Safety

Health & Safety of employees is a critical element that makes any workplace appropriate for operations. For our sustainable business, safety is a prerequisite. The wellness of our workforce is given utmost importance in the interest of employee's safety, their health and in the interest of the employer's responsibility.

Some of the illustrations of workplace wellness in our organization includes allowing flexi-time for exercise, medical insurance, flexi times/ work from home, maternal leave, paternal leave and employee wellness program – 'We Care'. The Company follows a Wellness Calendar as part the employee welfare program.

The Company also conducts periodic safety trainings and mock drills so that the employees are aware of all the Do's and Don'ts during an emergency situation.

The Company's Health and Safety approach include:

1. Safe working systems
2. Use of Personal protective equipment
3. Emergency preparedness.

Our Environment, Health & Safety policy is applicable to all the facilities. Moving forward we intend to certify all our units with the OHSAS 18001:2007 standard.

Some of our other employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and postemployment medical benefits – Mediclaim Insurance policy, Group Term Life Policy, Group Accident Policy, Maternity Leave and Paternity & Adoption Leave Policy.

The Company doesn't support any discrimination in terms of nationality, sex, religion, marital status, caste and creed. There is 'Zero Tolerance' towards sexual harassment and any act of sexual harassment leads to serious disciplinary action. We have established a policy against Sexual Harassment for the employees.

Employee Engagement

We also assure employees' wellbeing through active engagement. We have several two-way communication platforms in place for employees to express themselves, raise their queries and enable employees to know more about the organization.

1 Strides Facebook at Workplace

This is a collaborative platform. It is used to communicate via groups, to chat with colleagues and it helps employees to keep themselves updated/ abreast about various events/programs/ information regarding the company /locations.

2 Seek App

This is for bringing in greater awareness and engagement around quality. Through SEEK, the employees are introduced to the concept and issues around quality. It provides an interactive platform to express views and opinions.

3 Open House Meeting

This is a two- way communication channel where the common concerns and issues amongst the employees are discussed. The employees can raise their concerns, give suggestions and express their grievances.

As part of recreation camaraderie, we celebrate family day and employees are encouraged to have team outings.

At Strides, we also give due credit to the employees union that pursues the interests of its members, with equal focus on the overall business expectations. Currently, we have a management-recognized employee association, which covers approximately 23% of our employee membership.

Strides – Shasun Workforce Details – FY 2016-17

S. No.	Type of Resource Utilized	Number of Employees
1	Permanent employees	5,800
2	Permanent women employees	550
3	Permanent employees with disabilities	Nil
4	Temporary/ Contractual employees	1,420

Continuous Learning

We facilitate both internal and external trainings based on the Learning Needs Analysis Survey for the development and skill upgradation of our employees. To enable continuous learning for our employees we have collaborated with prestigious institutes like IIM Bangalore, BITS Pilani, TISS, NMIMS & Acharya Institute for Pharmacy.

As a succession planning approach, we have introduced identification and development of future leaders through the Future Leadership Program which acts as an intrinsic motivation and retention.

Some of our key programs are listed below:

a. Skill Development

We organize well designed and need based programs to enhance skills and competencies of our team members. Besides, we publish a monthly training calendar to help our employees acquire new skills, while upgrading the existing ones. Bespoke training programs are also conducted at regular intervals.

Our managerial and leadership development programs help enhance leadership capabilities across levels. We organize best in- class training programs in association with reputed management institutions.

b. Talent Management

Performance and talent management practices have been tailored in line with our business objectives; and are now institutionalized in the organization. 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.

c. Self - Managed Teams

Our facility for emerging markets in Chandapura, Bangalore has implemented the Self-Managed Teams (SMT) Philosophy to build a high-performing culture, thereby creating empowered teams.

We have established a separate policy on ‘Performance Management System’ that provides a framework for managing performance by assessing individual employees’ goals against stated/ desired goals and objectives. Our framework on performance management system is based on continuous improvement and focuses on goal/objective setting, performance assessment & reviews, feedback & personal development plan and pay for performance.

We strive to do our best to keep our employees happy and motivated through our Rewards and Recognition system which is one of the factors for the organizational success. Some of our Recognition programs include:

Strides – Shasun Learning & Development – FY 2016-17

S. No.	Category	Number of Employees	Percentage of Employees
1	Employees provided with skill upgradation training	2,915	50%
2	Employees received performance or career development reviews	3091	100% of the eligible population

We periodically renew our HR strategies to enhance productivity and better engage with a diverse workforce across geographies. We equip our employees with opportunities to learn and apply the business concepts in day-to-day practice, thus enriching the quality of delivery.

Complaints relating to Child Labor, Forced Labor, Involuntary Labor, Sexual Harassment/ Discriminatory Employment

We believe that the success of a responsible organization rests on the foundation of ethics and respect for Human Rights. We follow the best international practices, which ensure the freedom of association, prohibition of child labor, protection of indigenous rights and prohibition of forced and compulsory labor. In the reporting period FY 2016-17, we did not receive any complaint relating to child labor, forced labor, involuntary labor, sexual harassment or discriminatory employment.

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

We are cognizant of the fact that the stakeholder engagement is a periodic process that enables companies to develop and implement strategies to fulfil the stakeholder expectations and seek their long-term support. We recognize employees, our service partners (suppliers and dealers), customers, shareholders/ investors, communities surrounding our operations and regulatory authorities as our key stakeholders. We engage with them through various channels such as consultations with local communities through village panchayats, supplier/ vendor meets, employee satisfaction surveys, investor forums, etc. While we already have a policy in place, we are working towards developing the policy in line with the requirement of the prescribed Principle.

Internal and External Stakeholders

We have mapped our internal and external stakeholders based on our 'Shareholder & Stakeholders Communication' strategy.

Disadvantaged, vulnerable and marginalized stakeholders

We have identified the underprivileged communities around our areas of operations as disadvantaged, vulnerable and marginalized stakeholders. We have assessed the needs in the community, separately for Bengaluru Operations and Chennai, Puducherry, Cuddalore (CPC) Operations, through an extensive assessment and have prioritized the causes that we will support in different phases of our CSR journey. We endeavor to continuously engage with all such stakeholders to identify their needs so as to serve them accordingly.

Initiatives taken by the Company to engage with the disadvantaged vulnerable and marginalized stakeholders

1. Health & Hygiene
   a. Arogyadhama - A modern state of the art Primary Health Centre (PHC)
   b. R O Drinking water units for providing safe drinking water
   c. Donation of the blood component separation equipment to the Government Hospital
   d. Setting up of dispensaries in Puducherry and Cuddalore
2. Education
   a. Leadership Adoption Program for Schools (LeAPS), a program designed in partnership with People Pro Trainers and Consultants Private Limited targets Govt. Schools which aims to help and motivate students to visualize their goals
   b. Life Skill Education, which recognizes the need to address the psychological and social needs of young people, to help them to develop and grow into well-adjusted adults
   c. The students of the Government Boys and Girls Schools have been equipped with Effective Examination Skills to help them do better in the 10th and 12th Board exams
3. Employability
   a. Our Employment Empowerment Program initiative in partnership with Swami Vivekananda Rural Community College (SVRCC), will upskill approximately 100 youths of our neighboring villages employable.

Principle 5

Businesses should respect and promote human rights

As a responsible organization, the Company respects Human Rights at the workplace and endeavor to adopt best international practices, which ensures the freedom of association, prohibition of child labor, protection of indigenous rights and prohibition of forced and compulsory labor.

The Company value the rights of individuals and it is testified in our Code of Conduct for Board, senior management and employees. The code of conduct embraces a commitment to conducting our business in the most ethical manner with due regard to the business needs and stakeholder interests.

The elements of Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), an international treaty by the United Nations General Assembly described as an international bill of rights for women has been covered in our Code of Conduct. A Committee has been constituted by Strides Shasun Management to consider and redress complaints of Sexual Harassment. Any employee may contact their local HR point of contact and/or login to Strides Shasun Portal to understand the redressal mechanisms.

In case of any non-compliance, the employee or any of our business associates can directly approach the Chairman of the Audit Committee. The Committee ensures the confidentiality and protects the complainant from being persecuted.

While our Code of Conduct covers the employees of the organization, we are working towards evolving the Code of Conduct in line with the requirements of the prescribed Principle and International Labor Organization (ILO), to extend it to our suppliers, contractors and other stakeholders.

Stakeholder Complaints

Our Code of Conduct discourages violation of human rights and provides a fair and transparent mechanism for reporting any such violation. No complaints were received pertaining to human rights violation during the reporting period.

Principle 6

Businesses should respect, protect and make efforts to restore the environment

We believe as an organization, it is our responsibility to ensure that all our business practices are carried out in a way that causes minimal impact to the environment. Our policy on 'Environment, Health and Safety' provides us the necessary direction towards climate change mitigation & adaptation efforts as well as natural resource replenishment initiatives.

We follow our policy on Environment Health & Safety which is applicable to all our business operational facilities. As part of the policy we commit to educating our stakeholders (employees, contractors, sub-contractors, transporters, visitors) about our EHS policy and emergency procedures.

We understand that Global Warming has relevance on our business and the markets that we serve. We try to address this issue through our Environment, Health & Safety policy and have taken various initiatives through our Environmental Management System. We are in the process of initiating specific business level strategies to address global warming and climate change.

We identify and assess all the potential environmental risks as per the Environmental Management System Standards ISO 14001:2015. We have developed appropriate standard operating procedures to address the key environmental risks.

Clean Development Mechanism
We do not have any projects related to Clean Development Mechanism.

Initiatives undertaken on clean technology, energy efficiency, renewable energy

Clean Technology	Energy Efficiency	Renewable Energy
We have installed high efficiency boiler at our Puducherry facility to reduce fuel and energy consumption. We use briquette bio mass fuel for boiler operation. The generated boiler ash is further used for brick works.	Recovery of about 60% steam condensate by maintaining steam/fuel ratio of 8kg/lit at Ambernath and around 65% recovery of steam condensate by maintaining steam/fuel ratio of 14kg/lit at Bangalore, to reduce the boiler feed water consumption.	We procured about 13,214,760 KWh energy from the wind mill for our facility in Bangalore.
We have replaced Furnace Oil with PNG in our Ambernath facility, leading to reduction in CO2.	We replaced CFL bulbs with GIBBS LED lamps in our Bangalore facility, to reduce our energy conservation.	We procured about 10,289,553 KWh energy from the wind mill for our facility in Cuddalore.
We have replaced the Bottom centrifuge with Pelar centrifuge in our Cuddalore facility, helping in eliminating the fugitive emission during filtration.	We have replaced CFL bulb with LED lamps to reduce our energy consumption in our Puducherry facility.	We replaced the furnace oil with renewable energy source Bio briquette in our Boilers in our Cuddalore facility, thereby reducing our emissions from fuel.

Compliance to CPCB/ SPCB norms in relation to Emissions/Waste generated by the Company
Emissions are monitored through Pollution Control Board authorized laboratories and periodical emission test reports are submitted to the regulatory authorities. The generated stack emissions and Ambient Air Quality are well within the limits as defined by Central Pollution Control Board/ State Pollution Control Board.

All the Hazardous solid wastes are stored at designated place and disposed to approved recycler/ TSDF, as per the requirements of Hazardous and other waste (Management and Transboundary Movement) Rules, 2016.

Show cause/ Legal notices received from CPCB/ SPCB
During the year under review, the Company received three notices which were resolved as on the date of this report.

Principle 7

Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
We strive to create a positive impact and participate in making sound policy decisions, to facilitate change in public policies that are beneficial to the sector. We believe a sustainable business growth can be achieved when worked together with the regulatory authorities, government and trading bodies.

We are a part of various industry bodies and associations that influence public and regulatory bodies in a responsible manner, which includes:

a. Pharmaceuticals Export Promotion Council of India
b. Bombay Chambers of Commerce
c. Bangalore Chamber of Industry and Commerce
d. Export Promotion Council for EOUs & SEZs
e. Confederation of Indian Industry
f. Indian Drug Manufacturers' Association
g. Karnataka Drugs & Pharmaceutical Manufacturers Association
h. Federation of Karnataka Chambers of Commerce and Industry

We actively support the policy advocacy campaigns which the above organizations take up from time to time.

Principle 8

Businesses should support inclusive growth and equitable development
The Company always strive to ensure securing the interests of all our stakeholders along with the healthy growth of the Company. At Strides Shasun, community development programs are integral to our sustainability strategy. We have always contributed towards CSR activities even before it was mandated by the law. We have initiated many programs for the underprivileged, surrounding our areas of operation.

The Company have developed and implemented the CSR Policy which encompasses our philosophy towards CSR and lays down the guidelines and mechanism for undertaking socially beneficial programs for welfare & sustainable development of the community at large.

Our CSR initiatives help address socioeconomic challenges in the realms of health, education, employability and disaster management.

We have implemented the CSR programs through our Unit CSR Team and CSR advisory committee along with Strides Foundation and external NGOs, to contribute to different sections of society. A brief outline of the policy for undertaking the CSR projects includes the following:

a. Promoting hygiene & healthcare
b. Promoting education
c. Promoting livelihood

A detailed report on CSR Initiatives and the amount spent during the period under review forms part of the Board's Report as Annexure 6.

Impact Assessment

We meet our project coordinators and implementation partners regularly to monitor and assess the progress of our initiatives. We intend to carry out a formal structured impact assessment of our various CSR programs in FY 2019, since all our major CSR projects in the spheres of healthcare, education and livelihood were commissioned only 2 years back.

Our Corporate Social Responsibility initiatives go beyond compliance and create sustainable value for communities. For instance, Suragajakkanahalli panchayat, which is one of the village under CSR projects has been declared as 'Open Defecation Free Village' by the Government of Karnataka which means that the entire village now hygienically utilizes the underground drainage system and the septic tank provided by us.

Our CSR team regularly engages with the communities surrounding our areas of operations through focused group meetings. Through these engagements, we encourage the communities to adopt our initiatives for the continuity of development. The community meetings also aids us gauge the needs and expectations of the local community. We encourage our nearby communities to provide regular feedback. This helps us ensure that the projects have made a difference to the intended beneficiaries.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

We give utmost priority to providing effective, superior quality and economically affordable products to our customers. We work towards safe management of our products throughout its lifecycle and are committed to reducing risks. This is ensured by making factual disclosure of information during labelling and branding of our products. As a company, we are strongly connected with our customers. By understanding their needs, expectations & priorities, we are better equipped to develop products that offer great value.

We follow a standard operating procedure on providing the required factual information about our products to the customers. We ensure our compliance towards all the applicable legislations with respect to packaging & labelling. We realize the extent of influence we can have on our customers and we wish to engage with them in a responsible manner.

We have developed and implemented a robust pharmacovigilance system for handling and addressing complaints received from any of our stakeholders.

Customer Complaints – FY 2016-17

S. No.	Category	Number of Complaints Received	Number of Complaints Closed	Number of complaints pending	% of Complaints/ Cases Pending
1	Customer Complaints	367	353	14	3.8%
2	Customer Cases (legally filed)	Nil	Nil	Nil	Nil

We have a dedicated pharmacovigilance cell to resolve any customer concerns or queries related to our products. We have not received any complaints on unfair trade practices, irresponsible advertising and anti-competitive behavior.

Display of product information on the product label

The customer is provided with the instructions on dosage and the basic knowledge about the science behind the various ingredients added in our product. We also provide information on the composition of each ingredient in volume and percentage in the product. Storage Instructions and cautionary notes are also provided wherever required.

Date: August 11, 2017
Place: Bengaluru

Shashank Sinha
Managing Director

Ramaraju P.V.S.
Chief Operations Officer

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRIDES SHASUN LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of STRIDES SHASUN LIMITED (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") its associates and its joint ventures, comprising the Consolidated Balance Sheet as at 31 March, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, 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

The Parent'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 including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures 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 Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 Parent'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 Parent'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 other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31March 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to Note 37.1 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 Specialties products business in an earlier year, which the Company had disputed. As further stated in the Note, the Group has provided a guarantee in favour of Mylan and certain amounts have been set aside in escrows under the terms of the SPAs. During the current year, a significant portion of the claims notified by Mylan has been settled. As explained in the Note, given the nature of the pending claims against the Group and considering the amount held in escrow account, the Group believes that any further outflow of resources is not probable and has made the disclosures under Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" in this regard.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Other Matters

(a) In respect of continuing operations, we did not audit the financial statements of 19 subsidiaries, whose financial statements reflect total assets of ₹ 28,509.20 Million as at 31 March 2017, total revenues of ₹ 20,544.98 Million and net cash outflows amounting to ₹ 395.07 Million for the year ended on that date, as considered in the consolidated financial statements.

In respect of discontinued operations, we did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total revenues of ₹ 448.18 Million and net cash outflows amounting to ₹ 1.13 Million for the year ended March 31, 2017, as considered in the consolidated financial statements.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) In respect of continuing operations, we did not audit the financial information of 30 subsidiaries, whose financial information reflect total assets of ₹ 1,081.50 Million as at 31 March 2017, total revenues of ₹ 667.24 Million and net cash inflows amounting to ₹ 530.95 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 3.64 Million for the year ended 31 March, 2017, as considered in the consolidated financial statements, in respect of 1 associate and 3 joint ventures, whose financial information have not been audited by us.

In respect of discontinued operations, we did not audit the financial information of 7 subsidiaries, whose financial information reflect total revenues of ₹ 1,780.30 Million and net cash inflows amounting to ₹ 13.70 Million for the year ended March 31, 2017, 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, joint ventures and associates, 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 above, 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

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and the other financial information of subsidiary companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity 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, read with Note 36.1 therein, comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) In our opinion, any unfavourable outcome with regard to the matter referred to in Note 37.1 to the consolidated financial statements resulting in 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 Group.

(f) On the basis of the written representations received from the directors of the Parent as on 31 March 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and the associate company incorporated in India is disqualified as on 31 March 2017 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 separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Parent, subsidiary companies and associate company 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

(ii) The Group did not have any material foreseeable losses 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 Parent, its subsidiary companies and associate company, incorporated in India.

(iv) The Parent has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on audit procedures performed, the report of the other auditors and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements.

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

Sathya P. Koushik
Partner
BENGALURU, May 18, 2017 (Membership No. 206920)

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (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")

In conjunction with our audit of the consolidated financial statements of **STRIDES SHASUN LIMITED** (hereinafter referred to as "Parent") as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of the Parent, its subsidiary companies and associate company incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and associate company incorporated in India, are responsible for establishing and maintaining internal financial controls 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). 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 Parent, its subsidiary companies and associate company 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 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 Parent, its subsidiary companies and associate company incorporated in India.

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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and associate company 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, 2017, 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 5 subsidiary companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Sathya P. Koushik
Partner
(Membership No. 206920)

BENGALURU, May 18, 2017

Consolidated Balance Sheet

₹ In Million

		Note No.	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
A	**ASSETS**				
I	**Non-current assets**				
	(a) Property, plant and equipment	4	9,783.00	9,561.17	3,581.16
	(b) Capital work-in-progress		2,045.00	2,787.35	1,123.22
	(c) Investment property	5	705.97	746.91	783.06
	(d) Goodwill	6	9,669.50	9,267.16	1,368.37
	(e) Other intangible assets	7	9,678.94	7,958.42	1,289.37
	(f) Intangibles assets under development		5,756.79	5,361.40	254.59
	(g) Financial assets				
	(i) Investments	8(i)	2,450.65	525.02	687.56
	(ii) Loans	9(i)	350.85	115.47	-
	(iii) Other financial assets	10(i)	224.56	242.53	85.12
	(h) Deferred tax assets (net)	11	701.15	958.19	88.20
	(i) Income tax assets (net)	12(i)	1,042.13	898.96	754.36
	(j) Other non-current assets	13(i)	594.05	987.61	342.96
	Total non-current assets		**43,002.59**	**39,410.19**	**10,357.97**
II	**Current assets**				
	(a) Inventories	14	7,379.94	6,131.37	2,076.76
	(b) Financial assets				
	(i) Investments	8(ii)	12,795.39	12,137.55	5,995.18
	(ii) Trade receivables	15	9,970.52	10,329.72	3,671.23
	(iii) Cash and cash equivalents	16	3,223.27	3,045.69	1,391.16
	(iv) Other balances with banks	17	71.49	70.19	82.66
	(v) Loans	9(ii)	85.98	128.07	271.35
	(vi) Other financials assets	10(ii)	1,243.84	180.41	102.16
	(c) Income tax assets (net)	12(ii)	170.11	82.82	37.95
	(d) Other current assets	13(ii)	3,224.57	3,043.12	818.83
	Total current assets		**38,165.11**	**35,148.94**	**14,447.28**
	TOTAL ASSETS		**81,167.70**	**74,559.13**	**24,805.25**
B	**EQUITY AND LIABILITIES**				
I	**Equity**				
	(a) Equity share capital	18	894.23	893.46	596.16
	(b) Other equity	19	26,210.22	25,685.22	10,961.66
	Equity attributable to equity holders of the Company		**27,104.45**	**26,578.68**	**11,557.82**
	Non- controlling interests	20	1,639.90	502.11	139.17
	Total Equity		**28,744.35**	**27,080.79**	**11,696.99**
II	**Liabilities**				
1	**Non-current liabilities**				
	(a) Financials liabilities				
	(i) Borrowings	21(i)	16,377.09	26,270.01	2,529.88
	(ii) Other financial liabilities	22(i)	4,301.57	1,546.17	207.96
	(b) Provisions	23(i)	246.84	144.53	60.24
	(c) Deferred tax liabilities (net)	11	789.02	455.80	145.86
	(d) Other non-current liabilities	24(i)	306.90	141.98	142.20
	Total non-current liabilities		**22,021.42**	**28,558.49**	**3,086.14**
2	**Current liabilities**				
	(a) Financials liabilities				
	(i) Borrowings	21(ii)	13,939.56	7,004.75	2,030.31
	(ii) Trade payables	25	7,456.61	7,753.96	2,345.67
	(iii) Other financial liabilities	22(ii)	7,377.81	3,061.89	4,853.94
	(b) Other current liabilities	24(ii)	743.78	417.38	170.73
	(c) Provisions	23(ii)	183.44	149.28	129.71
	(d) Current income tax liabilities	26	700.73	532.59	491.76
	Total current liabilities		**30,401.93**	**18,919.85**	**10,022.12**
	TOTAL EQUITY AND LIABILITIES		**81,167.70**	**74,559.13**	**24,805.25**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Sathya P. Koushik
Partner

Bengaluru, May 18, 2017

For and on behalf of Board of Directors

Arun Kumar
Chairman

Shashank Sinha
Managing Director

Badree Komandur
Executive Director - Finance

Manjula R.
Company Secretary

Bengaluru, May 18, 2017

Consolidated Statement of Profit and Loss

₹ In Million

		Note No.	For the year ended 31-Mar-17	For the year ended 31-Mar-16
A.	**Continuing operations:**			
I	Revenue from operations	27	34,834.22	28,621.87
II	Other income	28	1,685.79	920.99
III	**Total Income (I+II)**		**36,520.01**	**29,542.86**
IV	**Expenses**			
	(a) Cost of materials consumed		10,311.44	13,403.31
	(b) Purchases of stock-in-trade		6,601.09	2,720.46
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress		(1,550.41)	(1,100.90)
	(d) Employee benefit expense	29	5,881.21	3,576.95
	(e) Finance costs	30	2,269.33	1,681.73
	(f) Depreciation and amortisation expense	31	1,871.51	1,312.54
	(g) Other expenses	32	7,162.83	5,882.25
	Total Expenses (IV)		**32,547.00**	**27,476.34**
V	**Profit/(loss) before exceptional items and tax (III - IV)**		**3,973.01**	**2,066.52**
VI	Exceptional items - net loss	33	(1,005.72)	(413.68)
VII	**Profit before tax (V + VI)**		**2,967.29**	**1,652.84**
VIII	Share of profit / (loss) of joint ventures and associates		3.64	(46.84)
IX	**Profit before tax (VII + VIII)**		**2,970.93**	**1,606.00**
X	**Tax expense:**	34		
	- Current tax		478.13	607.70
	- Deferred tax		(8.13)	(183.16)
	Total tax expense (X)		**470.00**	**424.54**
XI	**Profit after tax from continuing operations (IX - X)**		**2,500.93**	**1,181.46**
XII	**Discontinued Operations**	37		
	- Profit / (Loss) from discontinued operations		(184.95)	(244.31)
	- Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)		2,185.41	102.67
	- Tax expense of discontinued operations		41.92	89.85
XIII	**Profit/(loss) after tax from discontinued operations**		**1,958.54**	**(231.49)**
XIV	**Profit for the year (XI + XIII)**		**4,459.47**	**949.97**
XV	**Other comprehensive income**			
A	(i) Items that will not be recycled to profit or loss		(259.28)	(300.60)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		49.82	1.47
B	(i) Items that may be recycled to profit or loss		(163.94)	507.09
	(ii) Income tax relating to items that may be reclassified to profit or loss		(69.42)	(17.22)
	Total other comprehensive income for the year (XV)		**(442.82)**	**190.74**
XVI	**Total comprehensive income for the year (XIV + XV)**		**4,016.65**	**1,140.71**
	Profit for the year attributable to:			
	- Equity holders of the Company		3,997.49	1,085.24
	- Non-controlling interests		461.96	(135.27)
			4,459.47	**949.97**
	Other comprehensive income for the year			
	- Equity holders of the Company		(442.03)	190.74
	- Non-controlling interests		(0.79)	-
			(442.82)	**190.74**
	Total comprehensive income for the year			
	- Equity holders of the Company		3,555.46	1,275.98
	- Non-controlling interests		461.17	(135.27)
			4,016.65	**1,140.71**
	Earnings per equity share (from continuing operations):	48		
	(1) Basic (in ₹)		22.82	15.94
	(2) Diluted (in ₹)		22.77	15.85
	Earnings per equity share (from discontinued operations):	48		
	(1) Basic (in ₹)		21.91	(2.80)
	(2) Diluted (in ₹)		21.87	(2.79)
	Earnings per equity share (from total operations):	48		
	(1) Basic (in ₹)		44.73	13.14
	(2) Diluted (in ₹)		44.64	13.06

See accompanying notes forming part of the consolidated financial statements

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

Sathya P. Koushik
Partner

Bengaluru, May 18, 2017

For and on behalf of Board of Directors

Arun Kumar
Chairman

Shashank Sinha
Managing Director

Badree Komandur
Executive Director - Finance

Manjula R.
Company Secretary

Bengaluru, May 18, 2017

Consolidated Statement of Changes in Equity

for the Years ended March 31, 2017 and March 31, 2016

A) Equity share capital

₹ In Million

Particulars	Amount
Balance as at April 1, 2015	596.16
Changes in equity share capital during the year	
- Issued pursuant to employee stock option plans (Refer note 44)	0.85
- Issued pursuant to the scheme of amalgamation (Refer note 36.1)	210.17
- Issued pursuant to the qualified institutional placement (Refer note 38)	86.28
Balance as at March 31, 2016	893.46
Changes in equity share capital during the year	
- Issued pursuant to employee stock option plans (Refer note 44)	0.77
Balance as at March 31, 2017	894.23

B) Other equity

₹ In Million

Particulars	Note	Reserves and Surplus								Items of other comprehensive income				Equity attributable to equity holders of the Company	Non-controlling interests	Total
		Capital reserve	Capital reserve on consolidation	Securities premium account	Capital redemption reserve	Share options outstanding account	Equity for gross obligation liability	General reserve	Retained Earnings	Equity instrument through other comprehensive income	Effective portion of cash flow hedge	Foreign currency translation reserve	Remeasurement of the defined benefit liabilities / (assets)			
Balance as at April 1, 2015		225.60	0.21	6,013.74	551.61	21.97	(131.46)	3,498.79	(3,667.20)	-	59.20	4,389.20	-	10,961.66	139.17	11,100.83
Profit/loss for the year									1,085.24					1,085.24	(135.27)	949.97
Other comprehensive income for the year (net of tax)										(296.68)	32.68	457.18	(2.44)	190.74	-	190.74
Total comprehensive income		-	-	-	-	-	-	-	1,085.24	(296.68)	32.68	457.18	(2.44)	1,275.98	(135.27)	1,140.71
Pursuant to the scheme of amalgamation	36.1	3.00	-	1,381.78	50.00	7.97	-	472.14	1,488.79			(12.36)		3,391.32	-	3,391.32
Pursuant to business combinations	36	-	-				(1,339.81)							(1,339.81)	231.80	(1,108.01)
Pursuant to disposal of interest	37	-	-											-	335.33	335.33
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred tax)									(8.67)					(8.67)	-	(8.67)
Dividend (including tax on dividend)									(260.16)					(260.16)	-	(260.16)
Premium received on shares issued during the year	38 & 44			11,736.34										11,736.34	-	11,736.34
Share issue expenses	38			(326.66)										(326.66)	-	(326.66)
Transferred to Securities premium account on exercise of ESOPs				17.05		(17.05)								-	-	-
Amounts recorded on grants / (lapse) during the year	44					44.82								44.82	-	44.82
Pursuant to issue of shares in subsidiaries to non-controlling interests		286.03												286.03	-	286.03
Excess of share capital issued by the Company over the capital of the Transferor company pursuant to the merger	36.1	(75.66)												(75.66)	-	(75.66)
Pursuant to exchange movement			0.02											0.02	(68.92)	(68.90)
Balance as at March 31, 2016		438.97	0.23	18,822.25	601.61	57.71	(1,471.27)	3,970.93	(1,362.00)	(296.68)	91.88	4,834.02	(2.44)	25,685.22	502.11	26,187.33
Profit/loss for the year									3,997.49					3,997.49	461.96	4,459.45
Other comprehensive income for the year (net of tax)										(113.92)	130.75	(364.11)	(94.75)	(442.03)	(0.79)	(442.82)
Total comprehensive income		-		-	-	-	-	-	3,997.49	(113.92)	130.75	(364.11)	(94.75)	3,555.46	461.17	4,016.63
Pursuant to business combinations	36						(2,878.21)							(2,878.21)	762.86	(2,115.35)
Settlement of unexercised put option	37						183.07							183.07		183.07
Pursuant to disposal of interest	37		(0.23)											(0.23)	(256.96)	(257.19)
Pursuant to investment in subsidiaries during the year	36													-	131.55	131.55
Dividend (including tax on dividend)									(450.75)					(450.75)		(450.75)
Premium received on shares issued during the year				33.08										33.08		33.08
Transferred to Securities premium account on exercise of ESOPs	44			23.89		(23.89)								-		-
Amounts recorded on grants / (lapse) during the year	44					54.72								54.72		54.72
Pursuant to exchange movement							27.87							27.87	39.17	67.04
Balance as at March 31, 2017		438.97	-	18,879.22	601.61	88.54	(4,138.54)	3,970.93	2,184.74	(410.60)	222.63	4,469.91	(97.19)	26,210.22	1,639.90	27,850.12

See accompanying notes forming part of the consolidated financial statements

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

Sathya P. Koushik
Partner

For and on behalf of Board of Directors

Arun Kumar
Chairman

Shashank Sinha
Managing Director

Badree Komandur
Executive Director - Finance

Manjula R.
Company Secretary

Bengaluru, May 18, 2017

Bengaluru, May 18, 2017

Consolidated Statement of Cash Flows

₹ In Million

		For the year ended	
		31-Mar-17	31-Mar-16
A. Cash flow from operating activities			
Net profit before tax from:			
Continuing operations		2,970.93	1,606.00
Discontinued operations		2,000.46	(141.64)
		4,971.39	**1,464.36**
Adjustments for:			
- Depreciation and amortisation expense		1,986.94	1,519.83
- Share of profit / (loss) of joint ventures and associates		(3.64)	46.84
- Loss on disposal of property, plant and equipments (net)		(13.98)	0.15
- Stamp duty on acqusition of intangible assets		-	439.46
- Expenses recognised in respect of equity-settled share-based payments		54.71	44.82
- Unwinding of discount on gross obligations over written put options to NCI		118.81	32.02
- Fair valuation of derivative instruments		63.23	-
- Interest expense on borrowings		2,348.89	1,442.23
- Interest on delayed payment of Income tax		-	2.98
- Income from interest and dividend		(827.82)	(447.47)
- Gain on sale of short-term investment in mutual funds		-	(43.26)
- Profit on sale of long term investments(net)		(2,185.42)	(102.67)
- Rental income from operating leases		(59.94)	(74.99)
- Discounting of lease security deposits received		2.26	1.99
- Liability / provision no longer required written back		(266.77)	(52.11)
- Bad debts written off / provision for doubtful trade and other receivables		6.04	447.28
- Impairment of Goodwill		79.38	-
- Business combinations and restructuring expenses		234.25	221.23
- Write down of inventories and other assets		745.85	157.25
- Recovery of loans & advances written off in earlier years		2.86	-
- Reversal of provision for impairment of fixed assets		-	(4.05)
- Impact of aligning accounting policies on merger of Shasun (Refer note 36.1)		-	168.16
- Net unrealised exchange (gain) / loss		(376.47)	(344.05)
Operating profit before working capital changes		**6,880.57**	**4,920.00**
Changes in working capital:			
(Increase)/decrease in trade and other receivables		(1,762.23)	(4,524.69)
(Increase)/decrease in inventories		(2,230.11)	(1,674.85)
Increase/(decrease) in trade and other payables		580.81	2,771.64
(Increase)/decrease in margin money		(1.46)	10.77
Net change in working capital		**(3,412.99)**	**(3,417.13)**
Cash generated from operations		**3,467.58**	**1,502.87**
Direct taxes paid and others		(586.16)	(770.42)
Net cash flow from operating activities	A	**2,881.42**	**732.45**
B. Cash flow from investing activities			
Payments for property, plant and equipment and intangible assets		(6,823.35)	(3,691.34)
Proceeds from disposal of property, plant and equipment and intangible assets		76.99	33.70
Consideration paid towards business acquisitions		(1,742.40)	(18,785.34)
Proceeds from disposal of investment property		15.50	-
Stamp duty on acquisition of business		-	(437.94)
Short-term investments in mutual funds (to the extent not considered as cash and cash equivalents)		(5,281.91)	(3,574.62)
Proceeds from sale of investment in mutual funds		3,855.98	3,928.69
Proceeds from sale of other investments		1.80	-
Purchase of long-term investments (Refer note 36)		(6.45)	(821.15)
Loan (given) / recovered from Oncobiologics Inc		-	203.12
Loan to others		(250.00)	(100.00)
Proceeds on disposal of long-term investments pertaining to discontinued operations (Refer note 37)		2,684.37	129.50
Proceeds from sale of long-term investments in subsidiaries		-	650.00
Expenses/claims relating to disposal of long-term investments		(166.54)	(6.62)
Tax relating to sale of long-term investments		-	(26.93)
Repayment of lease deposit on investment property		(7.17)	-
Rental income from operating leases		56.83	66.26
Interest / dividends received		769.45	436.82
Expenses relating to business combinations and restructuring		(234.25)	(252.47)
Net cash flow from investing activities	B	**(7,051.15)**	**(22,248.32)**

Consolidated Statement of Cash Flows

₹ In Million

		For the year ended	
		31-Mar-17	31-Mar-16
C. Cash flow from financing activities			
Proceeds from issue of equity shares		33.89	11,642.47
Share issue expenses		-	(326.66)
Proceeds from long-term borrowings (net of processing fees)		5,788.72	21,794.84
Repayment of long-term borrowings		(6,633.81)	(3,005.67)
Net increase / (decrease) in working capital and short-term borrowings		6,882.23	325.51
Dividends paid		(357.46)	(246.10)
Dividend distribution taxes paid (net of applicable taxes paid on dividend income from foreign subsidiaries)		(74.80)	(14.07)
Proceeds from issue of shares to minority shareholders		131.55	621.35
Dividend paid to minority shareholders		(18.49)	(5.19)
Interest paid on borrowings (Refer note (ii) below)		(2,369.68)	(1,347.08)
Net cash generated from financing activities	C	**3,382.15**	**29,439.40**
Net increase /(decrease) in cash and cash equivalents	(A+B+C)	**(787.58)**	**7,923.53**
Cash and cash equivalents at the beginning of the year		11,107.41	2,989.14
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		34.34	31.46
Effect of fair valuation of cash and cash equivalents		-	10.65
On account reclassification of cash and cash equivalents		(5,387.65)	-
Cash and cash equivalents on account of disposal of subsidiaries (Refer note 37)		(655.47)	-
Cash and cash equivalents on account of business combinations (Refer note 36)		839.73	152.63
Cash and cash equivalents at the end of the year		**5,150.78**	**11,107.41**
Reconciliation of cash and cash equivalents with the balance sheet:			
Cash and cash equivalents as per balance sheet (Refer note 16 & 17)		3,294.76	3,115.88
Less: Balances in earmarked accounts not considered as cash and cash equivalents as defined in Ind AS 7 `Statement of cash flows'		(71.49)	(70.19)
Net cash and cash equivalents included in note 16 & 17		**3,223.27**	**3,045.69**
Add: Current investments considered as part of cash and cash equivalents as defined in Ind AS 7 `Statement of cash flows' (Refer note 8(ii))		1,927.51	8,061.72
Net cash and cash equivalents at the end of the year*		**5,150.78**	**11,107.41**
*** Comprises:**			
Cash on hand		2.95	6.65
Balance with banks:			
- In current accounts		2,076.84	2,183.35
- In EEFC accounts		19.44	62.97
- In Escrow account		2.00	2.00
- In deposit accounts		1,122.04	787.87
- Funds-in-transit		-	2.85
Current investments considered as part of cash and cash equivalents		1,927.51	8,061.72
Total		**5,150.78**	**11,107.41**

Notes:

(i) The consolidated statement of cash flows reflects the combined cash flows pertaining to continuing and discontinued operations.

(ii) Interest paid is inclusive of borrowing cost capitalised on fixed assets ₹ 218.94 Million (Previous year ₹ 6.47 Million).

See accompanying notes forming part of the consolidated financial statements

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

Sathya P. Koushik
Partner

Bengaluru, May 18, 2017

For and on behalf of Board of Directors

Arun Kumar
Chairman

Shashank Sinha
Managing Director

Badree Komandur
Executive Director - Finance

Manjula R.
Company Secretary

Bengaluru, May 18, 2017

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Note No. 1 General 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. The consolidated financial statements were approved by the Board of Directors and authorised for issue on May 18, 2017.

Note No. 2 Significant accounting policies

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). These are the Group's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 2.24 & 3 for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the Group.

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for:

- certain financial assets and liabilities (including derivative instruments), plan assets of the defined benefit plan and equity settled share based payments that are measured at fair values at the end of each reporting period;
- certain fixed assets of the Group which were fair valued in earlier years (prior to transition date), based on scheme of arrangement approved by the High court of Judicature. However, as explained in note 2.17.6, for transition to Ind AS, the Group has elected to continue with the carrying value of such assets as of April 01, 2015 measured as per previous GAAP and use that carrying value as deemed cost as of transition date.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners

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of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Refer note 50 for details of subsidiaries considered in these consolidated financial statements.

2.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date (see note 2.13.2); and

- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive

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income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to cash-generating units. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which such goodwill arose.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 2.6 below.

2.6 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy

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decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group’s investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to statement of profit and loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to statement of profit and loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

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When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to statement of profit and loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to statement of profit and loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

2.7 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with Ind AS 109 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.8 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

2.8.1Sale of goods

Revenue from the sale of goods is recognised when the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods to the buyer as per the terms of arrangement with buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale to Distributors

The Company appoints distributors in various territories who purchases the goods from the Company and thereafter sells them in the territory. In case the distributor is acting as an agent, the Company defers revenue recognition till the time goods are sold by the distributor to the end customer. On the other hand, if the distributor is principal, revenue is recognised upon the transfer of significant risks and rewards of ownership of the goods to the distributor.

Right to reject or return goods

The Company sells its products to the customers with a right to return the goods within the specified period of time. If the probability of acceptance by the customer is uncertain, recognition of revenue is

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deferred till the expiry of right to return or acceptance by the customer whichever is earlier.

Free samples

The Company distributes free samples to distributors, at various exhibitions and at medical conferences. The cost of samples distributed at exhibitions, medical conferences or to doctors directly are treated as marketing expense and clubbed under "Business Promotion Expense". However, free samples given to distributors (that are not acting as agents) is recognised as cost of goods sold. In case the free samples are not delivered at the same time as the related sales consignment, a reliable provision is made in this regard.

Price Variations / Incentives

Incentives are accounted based on the assessment of whether the beneficiary (of the incentive) is acting as a principal or an agent. Where the beneficiary is a principal, the incentive is regarded as consideration paid to the customer and is reduced from revenue. However, where the beneficiary is an agent, the incentive payment is recognised as an expense as the same is in the nature of commission. Chargebacks / Reptos claims by the wholesalers / distributors and Price Protections Chargebacks and reptos claims are estimated on the basis of the average trend of the past years and recognised as reduction to revenue.

2.8.2 Rendering of services

Revenue from product development services:

(i) In respect of contracts where the Group undertakes to develop products for its customers (on an end-to end basis), revenues are recognised based on technical estimates of the stage of work completed under the contracts.

(ii) In respect of other contracts where the Group performs specifically identified services in the development of the products, revenues are 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. Income from rendering advisory / support services is recognised based on contractual terms.

2.8.3 Royalties

Share of profits and royalty incomes under manufacturing and supply agreements with customers are accrued based on confirmation received from customers.

2.8.4 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.8.5 Rental income

The Group's policy for recognition of revenue from operating leases is described in note 2.9.1 below.

2.8.6 Export Incentives

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 specified schemes as applicable.

2.9 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.9.1 The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.9.2 The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability

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to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note 2.11 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.10 Foreign currencies transactions and translation

Functional currency of an entity is the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Indian Rupees (₹), which is the functional currency of the parent company, Strides Shasun Limited. In respect of subsidiaries whose operations are self-contained and integrated within their respective countries/regions, the functional currency has been determined to be the local currency of those countries/regions.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets, and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), are recognised initially in other comprehensive income and reclassified from equity to statement of profit and loss on repayment of the monetary items. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, will be reclassified from equity to statement of profit and loss when the gain or loss on disposal is recognised.

The Group recognises exchange gain / loss arising on account of restatement and settlement of (i) long term foreign currency loans; and (ii) intragroup loans under exceptional items in the statement of profit and loss.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate

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that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit and loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in statement of profit and loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the statement of profit and loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

2.11 Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

2.12 Employee benefits

2.12.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.12.2 Defined contribution plan

Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

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2.12.3 Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2.12.4 Long term Incentive Plans

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 Share-based payment arrangements

2.13.1 Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.13.2 Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with Ind AS 102 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Group replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with Ind AS 102. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

At the acquisition date, when the outstanding equity-settled share-based payment transactions held by the employees of an acquiree are not exchanged by the Group for its share-based payment transactions, the acquiree share-based payment transactions are measured at their market-based measure at the acquisition date. If the share-based payment transactions have vested by the acquisition date, they are included as part of the non-controlling interest in the acquiree. However, if the share-based payment transactions have not vested by the acquisition date, the market-based measure of the unvested share-based payment transactions is allocated to the non-controlling interest in the acquiree based on the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the share-based payment transaction. The balance is recognised as remuneration cost for post-combination service.

2.14 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.14.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.14.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation

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of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences can be utilised and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.14.2.1 Deferred Tax on Undistributed Earnings

When only a portion of undistributed earnings is remitted to the parent entity by its subsidiary, the parent recognise a deferred tax liability only for the portion of the undistributed earnings expected to be remitted in the foreseeable future.

2.14.2.2 Deferred Tax on Unrealised Profits

The intragroup elimination is made as a consolidation adjustment and not in the financial statements of any individual reporting entity. Therefore, the elimination will result in the creation of a temporary difference, as far as the group is concerned, between the carrying amount of the inventories in the consolidated financial statements and the tax base (assumed to be the carrying amount in the purchaser's individual financial statements). The deferred tax effects arising in respect of this temporary difference is recognised. The tax rate used while recognising the deferred tax balance arising from the elimination of unrealised profits on intragroup transactions is determined by reference to the tax rate in the purchaser's jurisdiction where the temporary difference will reverse.

2.14.3 Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.15 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.
The non refundable payments made with respect to

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Land taken on finance lease (where there is an option to purchase the same at the end of the lease period) is classified under Property, plant and Equipment as "Lease hold Land".

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed 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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

When an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, the cost of that item is measured at fair value (even if the entity cannot immediately derecognise the asset given up) unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.16 Investment property

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property are depreciated using the straight line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

On transition to Ind AS, the Group has elected to continue with the carrying value of its investment property recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

2.17 Intangible assets

2.17.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated

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amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.17.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in statement profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.17.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.17.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

2.17.5 Useful lives of intangible assets

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

Registration and Brands	: 10 years to 25 years
Software Licenses	: 5 years

2.17.6 Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.18 Impairment of assets

2.18.1 Impairment of financial assets:

The Group assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured though a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

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2.18.2 Impairment of goodwill and investments in associates and joint ventures: Refer notes 2.5 and 2.6.

2.18.3 Impairment of other assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

2.19 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

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.20.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.20.2 Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement

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of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

2.20.3 Contingent liabilities

Contingent liabilities are disclosed in notes when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

2.20.4 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.21 Financial instruments

2.21.1 Financial assets and financial liabilities

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Subsequent measurement:

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments in Oncobiologics Inc which is not held for trading.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.21.2 Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

2.21.3 Derivative financial instruments and hedge accounting

The Group uses various derivative financial instruments such as interest rate swaps, currency swaps and forward contracts to mitigate the risk of changes in interest rates and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to the Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

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Hedges that meet the criteria for hedge accounting are accounted for as follows:

a) Cash flow hedge

The Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

b) Fair value hedge

The Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

2.21.4 Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss, and is included in the 'Other income' line item.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to statement of profit and loss on the disposal of the foreign operation.

2.21.5 Written put options issued to the non-controlling interests:

The Group has issued written put option to non-controlling interests in certain subsidiaries of the Group in accordance with the terms of underlying agreement with such option holders. Should the option be exercised, the Group has to settle such liability by payment of cash.

Accounting on initial recognition:

The amount that may become payable under the option on exercise is recognised as a financial liability at its present value with a corresponding charge directly to the shareholders' equity.

Subsequent measurement:

The liability is subsequently accreted through finance charges recognised under exceptional items in the Statement of Profit and Loss upto the redemption amount that is payable at the date on which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

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 Operating Cycle

As mentioned in para 1 above under `Corporate information', the Company is into development and manufacture of pharmaceutical products. Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 3 years to 5 years and 12 months relating to research and development activities and manufacturing of pharmaceutical products respectively. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

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2.24 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.24.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see note 3.2 below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

2.24.1.1 Control over subsidiaries

The following entities are considered subsidiaries of the Group even though the Group and non-controlling interests have about 50% of the ownership interest and the voting rights in such entities:

Name of the entities	Proportion of ownership interest and voting power held by the Group		
	31-Mar-17	31-Mar-16	01-Apr-15
1. Generic Partners Pty Limited	51%	0%	0%
2. Generic Partners Holding Co. Pty Limited	51%	0%	0%
3. Pharmacy Alliance Pty Limited	51%	51%	0%
4. Universal Corporation Limited	51%	0%	0%
5. Chemsynth Laboratories Private Limited	49%	49%	49%

The directors of the Company assessed whether or not the Group has control over the above mentioned entities based on whether the Group has the practical ability to direct the relevant activities of such entities unilaterally. Based on such assessment, the directors concluded that the Group has sufficient management rights to unilaterally direct the relevant activities of such entities and therefore the Group has control.

2.24.1.2 Joint Control over SPC Co. Ltd, Sudan

SPC Co. Ltd has been incorporated in Sudan to carry on the business of manufacturing pharmaceutical formulations for sale in Sudan as well as for exports. There are two shareholders in this entity, wherein Strides holds 51% and the remaining 49% is held by another shareholder. Though Strides has majority stake, it has been concluded that the said company shall be a Joint venture as based on the following facts it is evident that both the shareholders have control over SPC Co. Ltd.:

- The decisions relating to the relevant activities namely approval of budget, approval of the annual business plan, appointment of the CFO / CEO requires affirmative vote of both the parties.

- Board of directors shall comprise of the directors from both the companies in equal proportion -Quorum for meetings to be held is 1 nominee from each company.

2.24.1.3 Loss of control over Stelis Biopharma Private Limited

As explained in note 37.2.2, although Strides holds majority stake in Stelis Biopharma Private Limited ("Stelis") as at March 31, 2017, it is considered that the Group has lost its sole control over Stelis with effect from March 31, 2017 on account of dilution in the Group's representation in the Board of Directors of Stelis which decides on the relevant activities. However, considering significant influence by Strides, Stelis became associate of the Group with effect from March 31, 2017.

2.24.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.24.2.1 Impairment of non-financial assets

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

2.24.2.2 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.24.2.3 Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

2.24.2.4 Employee Benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

2.24.2.5 Share Based Compensation to Employees

The Company has granted share based payment plans to its employees. Valuation models are used to calculate the expense for such share-based compensation to employees. These models require a number of assumptions to be made as input. These include financial assumptions as well as various assumptions around individual employee behaviour.

2.24.2.6 Litigations

As explained in note 40, the Group is a party to certain commercial disputes and has also received notification of claims for significant amounts. There are number of factors that may affect the ultimate outcome in respect of this matter and accordingly, it is difficult to assess the impact of these disputes with accuracy.

2.24.2.7 Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available and where such details are not available, the Group engages third party qualified valuers to perform the valuation. Significant judgements, estimates and assumptions are involved in assessing the appropriateness of the valuation techniques and inputs for fair value measurements.

2.25 Standards / amendments not yet effective

In March 2017, the Ministry of Corporate affairs issued the Companies (Indian Accounting standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7 "Statement of Cash flows" and Ind AS 102 "Share Based Payments". The said amendments are effective from April 1, 2017. Among the said amendments, only the amendment to Ind AS 7 "Statement of cash flows" is relevant to the group.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate the changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash flows. The said amendment suggests inclusion of reconciliation of closing balance of liabilities arising from finance activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the group.

Note No. 3 First-time adoption of Ind AS

3.1 Overall principle

The Group has prepared the opening consolidated balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exception under Ind AS 101 and certain optional exemptions permitted under Ind AS 101 availed by the Group as detailed below.

3.2 Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

3.3 Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control

The Group has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110, prospectively from the date of transition.

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3.4 Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

3.5 Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

3.6 Assessment of embedded derivatives

The Group has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

3.7 Past business combinations

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015. Consequently,

- The Group has kept the same classification for the past business combinations as in its previous GAAP financial statements;

- The Group has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the consolidated balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;

- The Group has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;

- The Group has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;

- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in Ind AS 103.

3.8 Deemed cost for items of property, plant and equipment, investment property, and intangible assets

The Group has elected to continue with the carrying value of all of its items of plant and equipment, investment property, and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.9 Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

3.10 Equity investments at FVTOCI

The Group has designated investment in equity shares of Oncobiologics Inc as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

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The reconciliations between previous GAAP and Ind AS, and explanations for the significant differences on account of transition to Ind AS are given below:

Reconciliation of total equity as at March 31, 2016 and April 1, 2015

₹ in Million

Particulars	Notes	As at March 31, 2016	As at April 01, 2015
Total equity under previous GAAP attributable to:			
Equity holders of the Company		28,631.89	11,449.22
Non-controlling interest		428.01	187.09
Ind AS adjustments:			
Measurement of financial instruments at fair value through profit or loss	a	61.51	382.29
Dividends not recognised as liability until declared under Ind AS	b	432.18	178.85
Recognition of gross obligation on put options given to NCI	c	(1,503.39)	(131.46)
Measurement of financial instruments at fair value through OCI	d	(296.67)	-
Change in treatment of acquisition related costs with respect to business combinations	e	(439.46)	-
Provision for expected credit loss on trade receivables	f	(635.59)	(228.33)
Reversal of Goodwill adjustment made under previous GAAP	g	286.03	-
Recognition of deferred taxes using the balance sheet approach under Ind AS	h	77.22	20.76
Other adjustments (including deferred tax effect (net) on Ind AS adjustments wherever applicable)		39.06	(161.43)
Total adjustment to equity		**(1,979.11)**	**60.68**
Total Equity under Ind AS atributable to:		**27,080.79**	**11,696.99**
Equity holders of the Company		26,578.68	11,557.82
Non-controlling interest		502.11	139.17

Reconciliation of total comprehensive income for the year ended March 31, 2016

₹ In Million

Particulars	Notes	Statement of Profit and loss	Other comprehensive Income	Total comprehensive Income
Net profit under previous GAAP				
Equity holders of the Company		2,089.36	-	2,089.36
Non-controlling interest		(126.59)	-	(126.59)
Profit under previous GAAP as reported (before share of non-controlling interest)		**1,962.77**	-	**1,962.77**
Ind AS adjustments:				
Measurement of financial instruments at fair value through profit or loss	a	(320.78)		(320.78)
Fair valuation of gross obligation on put options given to NCI	c	(32.02)		(32.02)
Fair valuation of eqiuty instruments through OCI	d		(296.67)	(296.67)
Write off of acqusition related costs pertaining to business combinations	e	(439.46)		(439.46)
Provision for expected credit loss on trade receivables	f	(407.26)		(407.26)
Recognition of deferred taxes using the balance sheet approach under Ind AS	h	72.75	(17.22)	55.53
Actuarial gains/ losses through OCI	i	3.93	(3.93)	-
Movement in currency translation reserve through OCI	j		457.19	457.19
Unrealised gain/ (loss) on cash flow hedges through OCI	j		49.90	49.90
Other adjustments (including deferred tax effect (net) on Ind AS adjustments wherever applicable)		110.04	1.47	111.51
Profit as per IND AS (before share of non-controlling interest)		**949.97**	**190.74**	**1,140.71**
Equity holders of the Company		1,085.24	190.74	1,275.98
Non-controlling interest		(135.27)	-	(135.27)

Explanation of material adjustments to Statement of Cash Flows:

There are no material differences between the statement of cash flows presented under Ind AS and the previous GAAP except due to various re-classification adjustments recorded under Ind AS and difference in the definition of cash and cash equivalents under these two GAAPs.

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Explanatory notes to equity reconciliation and total comprehensive income reconciliation

a) Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition. The fair value changes are recognised in the the statement of profit and loss. On transitioning to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per previous GAAP, resulting in an increase in carrying amount by ₹ 61.51 Million as at March 31, 2016 and by ₹ 382.29 Million as at April 1, 2015. Accordingly, there is an increase in total equity as at March 31, 2016 of ₹ 61.51 Million (As at April 01, 2015: ₹ 382.29 Million) and decrease in profit for the year ended March 31, 2016 of ₹ 320.78 Million.

b) Under previous GAAP, dividends on equity shares recommended by the board of directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when authorised by the members in a general meeting. Accordingly, the liability for proposed dividend of ₹ 432.18 Million as at March 31, 2016 (As at March 31, 2015: ₹ 178.85 Million) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

c) The Group has issued written put options to non-controlling interests of certain subsidiaries for acquiring their shares in respective subsidiaries. Should the option be exercised by non-controlling interests, the Group has to settle such liability by payment of cash. Under Ind AS, the amounts that may become payable under the option on exercise is recognised as a financial liability at its present value as at the transition date, with a corresponding charge directly to the shareholders' equity. Unwinding of discount on such financial liability at amortised cost subsequently is accounted in the statement of profit and loss under exceptional items. On account of this, equity of the group has reduced by ₹ 1,503.39 Million as at March 31, 2016 (As at April 01, 2015: ₹ 131.46 Million) and profit for the year ended March 31, 2016 has decreased by ₹ 32.02 Million.

d) Under previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, Investment in ""Oncobiologics Inc., USA"" has been classified as FVTOCI availing the first time choice of designation. On the date of transition to Ind AS, the said Investment has been measured at fair value which is equal to the cost as per previous GAAP. However, for the period ending March,2016 the carrying amount has been decreased by ₹ 296.67 Million as at March 31, 2016 due to decline in the fair value. The net effect of these changes is decrease in total equity as at March 31, 2016 of ₹ 296.67 Million. These changes do not affect profit before tax or total profit for the year ended March 31, 2016 because the investment has been classified as FVTOCI."

e) Under previous GAAP, acquisition related costs pertaining to business combinations were capitalised. However, under Ind AS such costs are considered expense and charged off to statement of profit and loss. Consequently, the profit and equity as at the year ended March 31, 2016 has decreased by ₹ 439.46 Million.

f) Under previous GAAP, provision for bad and doubtful debts was recognised based on incurred loss model. However, as per Ind AS 109, the company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, total equity as at March 31, 2016 decreased by ₹ 635.59 Million (As at April 01, 2015: ₹ 228.33 Million) and profit before tax for the year ended March 31, 2016 decreased by ₹ 407.26 Million.

g) Under previous GAAP, goodwill pertaining to Stelis Biopharma Private Limited, India has been reduced

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on account of increase in group's share of networth due to capital infusion by the other shareholder during the year ended March 31, 2016 with a relatively lesser share in the networth of the company. However, under Ind AS, Goodwill shall be adjusted only on account of change in control. Hence, the amount of goodwill has been increased at an amount equal to that has been reversed earlier i.e., ₹ 286.03 Million by giving corresponding credit to equity.

h) Under previous GAAP, in the consolidated financial statements, the tax expense of the parent and its group companies was added line-by-line, and there were no adjustments made / additional deferred taxes recognised or reversed on consolidation. Under Ind AS, deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Consequently, the deferred tax impact of eliminations of unrealised profits arising on intragroup transfers has been recognised in statement of profit and loss and deferred tax impact on hedging reserves has been recognised in other comprehensive income. The net effect of these changes is a increase in total equity as at March 31, 2016 of ₹ 77.22 Million (As at April 01, 2015: ₹ 20.76 Million) with a corresponding increase in profit of ₹ 72.75 Million.

i) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurernent of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under lnd AS instead of the statement of profit and loss. The actuarial loss for the year ended March 31, 2016 were ₹ 3.93 Million and the tax effect thereon is ₹ 1.47 Million. This change does not affect total equity and total comprehensive income, but there is a increase in profit before tax of ₹ 3.93 Million and in total profit of ₹ 2.46 Million for the year ended March 31, 2016.

j) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.

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Note No. 4 Property, plant and equipment

₹ In Million

Particulars	Gross block: As at April 1, 2016	Effects of foreign currency exchange differences and regroupings	Additions during the year	Disposals during the year	Acquisition through business combinations referred in note 36	Derecognised on disposal of a subsidiary (Refer note 37)	As at March 31, 2017	Depreciation: As at April 1, 2016	Effects of foreign currency exchange differences and regroupings	Depreciation expense	Eliminated on disposal of assets	Eliminated on disposal of businesses referred in note 37	Upto March 31, 2017	Net block: As at March 31, 2017	As at March 31, 2016
Freehold Land	987.15	(0.56)	1.00	18.58	-	3.26	965.75	-	-	-	-	-	-	965.75	987.15
	818.61	*0.11*	*69.07*	-	*99.36*	-	*987.15*	-	-	-	-	-	-	*987.15*	*818.61*
Leasehold Land	72.49	(9.62)	-	-	-	15.51	47.36	-	(0.78)	-	-	-	(0.78)	48.14	72.49
	71.04	*1.45*	-	-	-	-	*72.49*	-	-	-	-	-	-	*72.49*	*71.04*
Buildings	2,213.54	(61.98)	511.14	13.38	286.43	98.13	2,837.62	120.91	(46.99)	150.79	3.23	16.46	205.02	2,632.60	2,092.63
	712.36	*9.26*	*473.02*	*40.71*	*1,059.61*	-	*2,213.54*	-	-	*121.07*	*0.16*	-	*120.91*	*2,092.63*	*712.36*
Plant and equipments	6,668.98	(384.38)	1,763.63	59.18	216.85	1,493.94	6,711.96	763.07	(179.06)	815.11	22.25	221.92	1,154.95	5,557.01	5,905.91
	1,799.03	*53.78*	*1,043.69*	*137.52*	*3,910.00*	-	*6,668.98*	-	-	*770.93*	*7.86*	-	*763.07*	*5,905.91*	*1,799.03*
Furniture and fixtures	149.88	16.40	40.44	6.43	3.31	5.97	197.63	21.03	18.20	27.16	2.00	1.37	63.02	134.61	128.85
	104.61	*0.18*	*19.42*	*1.12*	*26.79*	-	*149.88*	-	-	*21.55*	*0.52*	-	*21.03*	*128.85*	*104.61*
Vehicles	68.40	(5.24)	41.78	10.85	8.35	18.54	83.90	11.37	(4.03)	17.59	2.28	5.38	17.27	66.63	57.03
	33.52	*0.62*	*33.22*	*21.48*	*22.52*	-	*68.40*	-	-	*15.15*	*3.78*	-	*11.37*	*57.03*	*33.52*
Office equipments	411.64	(22.54)	186.59	14.26	7.76	16.91	552.28	94.53	(34.18)	132.10	8.94	9.49	174.02	378.26	317.11
	41.99	*0.61*	*230.72*	*2.89*	*141.21*	-	*411.64*	-	-	*95.37*	*0.84*	-	*94.53*	*317.11*	*41.99*
Total	10,572.08	(467.92)	2,544.58	122.68	522.70	1,652.26	11,396.50	1,010.91	(246.84)	1,142.75	38.70	254.62	1,613.50	9,783.00	9,561.17
Previous year	*3,581.16*	*66.01*	*1,869.14*	*203.72*	*5,259.49*	-	*10,572.08*	-	-	*1,024.07*	*13.16*	-	*1,010.91*	*9,561.17*	*3,581.16*

Notes:

(i) Figures in italics relates to previous year.

(ii) The above assets, other than to the extent mentioned in notes (iii) below and note 47, are owned by the Company.

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

₹ In Million

Particulars	Gross block: 31-Mar-17	31-Mar-16	01-Apr-15	Net block: 31-Mar-17	31-Mar-16	01-Apr-15
Vehicles	32.80	25.18	16.97	25.75	20.60	9.73
Total	32.80	25.18	16.97	25.75	20.60	9.73

(iv) Refer note 21 for details of assets pledged.

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Note No. 5 Investment property

₹ In Million

Particulars	Gross block						Depreciation					Net block	
	As at April 1, 2016	Effects of foreign currency exchange differences and regroupings	Additions during the year	Disposals during the year	Acquisition through business combinations referred in note 36	As at March 31, 2017	As at April 1, 2016	Effects of foreign currency exchange differences and regroupings	Depreciation expense	Eliminated on disposals of assets	Upto March 31, 2017	As at March 31, 2017	As at March 31, 2016
Land	118.66	-	-	0.71	-	117.95	-	-	-	-	-	117.95	118.66
	115.96	-	-	-	*2.70*	*118.66*	-	-	-	-	-	*118.66*	*115.96*
Building	667.10	-	-	-	-	667.10	38.85	-	40.23	-	79.08	588.02	628.25
	667.10	-	-	-	-	*667.10*	-	-	*38.85*	-	*38.85*	*628.25*	*667.10*
Total	785.76	-	-	0.71	-	785.05	38.85	-	40.23	-	79.08	705.97	746.91
Previous year	*783.06*	-	-	-	*2.70*	*785.76*	-	-	*38.85*	-	*38.85*	*746.91*	*783.06*

Notes:

(i) Figures in italics relates to previous year.

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

₹ In Million

Particulars	Gross block			Net block		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Freehold Land	115.96	115.96	115.96	115.96	115.96	115.96
Buildings	660.44	660.44	660.44	582.77	621.60	660.44
Total	**776.40**	**776.40**	**776.40**	**698.73**	**737.56**	**776.40**

(iii) Details of assets held by Trust and for capital appreciation and not given under lease:

₹ In Million

Particulars	Gross block			Net block		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Freehold Land	1.99	2.70	-	1.99	2.70	-
Buildings	6.66	6.66	-	5.25	6.65	-
Total	**8.65**	**9.36**	-	**7.24**	**9.35**	-

(iv) The group obtains independent valuations for its investment properties once in three years. Accordingly, the fair value of the Group's investment properties as at March 31, 2017 has been arrived at ₹ 837.19 Million on the basis of a valuation carried out by independent valuers not related to the Group. The said valuers are registered with the authority which governs the valuers in India and have appropriate qualifications and recent experience in the valuation of properties in the relevant locations

The main inputs used are as follows:

- Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property; and
- Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

(v) Refer note 21 for details of assets pledged.

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Note No. 6 Goodwill

₹ In Million

	As at April 1, 2016	Effects of foreign currency exchange differences and regroupings	Additional amounts recognised from business combinations (Refer note 36)	Derecongised on disposal of subsidiary (Refer note 37)	Impairment loss recognised in the year (Refer note (ii) below)	As at March 31, 2017
Goodwill	9,267.16	(252.96)	1,277.33	542.65	79.38	9,669.50
	1,368.37	*45.39*	*7,853.40*	*-*	*-*	*9,267.16*
Total	**9,267.16**	**(252.96)**	**1,277.33**	**542.65**	**79.38**	**9,669.50**
Previous year	***1,368.37***	***45.39***	***7,853.40***	**-**	**-**	***9,267.16***

Notes:

(i) Figures in italics relates to previous year.

(ii) Allocation of goodwill to cash generating units:
Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

- Regulated Markets
- Emerging Markets
- Biotech

Before recognition of impairment losses, the carrying amount of goodwill (other than goodwill related to discontinued operations) was allocated to cash-generating units as follows:

₹ In Million

Cash generating units	31-Mar-17	31-Mar-16	01-Apr-15
Regulated Markets	8,180.31	7,644.94	524.61
Emerging Markets	1,489.19	1,279.67	501.21
Biotech	-	342.55	342.55
Total	**9,669.50**	**9,267.16**	**1,368.37**

The recoverable amount of the above Cash generating units have been determined based on 'Value in use' model, where in the value of cash generating unit is determined as a sum of the net present value of the projected post tax cash flows for a period of 4 to 5 years and terminal value. The terminal value of each cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long term growth rate. Key assumptions used for determining the said value in use of each cash generating unit is as follows:

₹ In Million

Key Assumptions	Regulated Markets	Emerging Markets	Biotech
Discount Rate	10.56 - 14.27 %	15.10 - 20.50%	16.50%
Growth Rate (used for determining Terminal Value)	2 to 3%	3 to 5%	3 to 5%

The discount rates used are based on weighted average cost of capital.

The growth rates of the above Cash generating units have been considered based on the market conditions prevalent in the countries that would fall in respective cash generating units.

There is no change in the above said assumptions as compared to that of previous years'.

The management believes that the projections used by the management for determining the "Value in use" of cash generating units reflect past experience and external sources of information and any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

During the year ended March 31, 2017, the Group recognised impairment charge of ₹ 79.38 Million pertaining to the Regulated markets CGU pursuant to potential loss of key contracts on account of certain unfavorable macro economic conditions experienced in certain African countries.

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Note No. 7 Other intangible assets

₹ In Million

Particulars	Gross block: As at April 1, 2016	Gross block: Effects of foreign currency exchange differences and regroupings	Gross block: Additions during the year	Gross block: Disposals during the year	Gross block: Acquisition through business combinations (Refer note 36)	Gross block: Derecognised on disposal of a subsidiary (Refer note 37)	Gross block: As at March 31, 2017	Depreciation: As at April 1, 2016	Depreciation: Effects of foreign currency exchange differences and regroupings	Depreciation: Amortisation expense	Depreciation: Eliminated on disposals of assets	Depreciation: Eliminated on disposal of a subsidiary (Refer note 37)	Depreciation: Upto March 31, 2017	Net block: As at March 31, 2017	Net block: As at March 31, 2016
- Internally generated:															
- Registrations	115.91	-	60.41	-	-	-	176.32	40.05	-	35.81	-	-	75.86	100.46	75.86
	78.72	-	*37.19*	-	-	-	*115.91*	-	-	*40.05*	-	-	*40.05*	*75.86*	*78.72*
- Others:															
- Registration and brands	7,966.57	(78.08)	982.27	1.95	1,174.44	103.97	9,939.28	365.24	(89.12)	675.06	0.15	10.48	940.55	8,998.73	7,601.33
	1,117.66	*6.03*	*6,842.21*	*0.96*	*1.63*	-	*7,966.57*	-	-	*365.52*	*0.28*	-	*365.24*	*7,601.33*	*1,117.66*
- Customer / Supply Contracts	170.48	(4.24)	-	-	72.00	-	238.24	0.90	(0.36)	15.86	-	-	16.40	221.84	169.58
	-	-	-	-	*170.48*	-	*170.48*	-	-	*0.90*	-	-	*0.90*	*169.58*	-
- Software licenses	162.09	(2.96)	326.29	0.17	-	2.78	482.47	50.44	(1.95)	77.23	0.05	1.11	124.56	357.91	111.65
	92.99	*(3.08)*	*61.15*	-	*11.03*	-	*162.09*	-	-	*50.44*	-	-	*50.44*	*111.65*	*92.99*
Total	8,415.05	(85.28)	1,368.97	2.12	1,246.44	106.75	10,836.31	456.63	(91.43)	803.96	0.20	11.59	1,157.37	9,678.94	7,958.42
Previous year	*1,289.37*	*2.95*	*6,940.55*	*0.96*	*183.14*	-	*8,415.05*	-	-	*456.91*	*0.28*	-	*456.63*	*7,958.42*	*1,289.37*

Notes:

(i) Figures in italics relates to previous year.

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Note No. 8 Investments

Investments consist of the following:

(i) Investments - Non-current

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
(A) Investments in associates under equity method:			
Equity shares, unquoted			
- 251,527 (As at March 31, 2016: Nil, As at April 1, 2015: Nil) shares of ₹ 10 each fully paid up in Stelis Biopharma Private Limited, India (Refer note 37.2.2)	2,049.42	-	-
- 342 (As at March 31, 2016: Nil, As at April 1, 2015: Nil)) shares of Ethiopian Birr 1,000 each fully paid up in Regional Bio Equivalence Centre S.C., Ethiopia	3.14	-	-
Preference shares, unquoted			
- 3,734,074 (As at March 31, 2016: 3,734,074, As at April 1, 2015: Nil) shares of USD 0.001 each fully paid up in Aponia Laboratories Inc, USA (Refer note 36.1)	82.53	78.92	-
Total [A]	**2,135.09**	**78.92**	**-**
(B) Investments in joint ventures under equity method:			
Equity shares, unquoted			
- 1,312,500 (As at March 31, 2016: 1,312,500, As at April 1, 2015: Nil) shares of USD 1 each fully paid up in Shasun NBI LLC, USA (Refer note 36.1)	63.88	63.88	-
Less: Provision for diminution in value of investments	(63.88)	(63.88)	-
- 50 (As at March 31, 2016: Nil, As at April 1. 2015: Nil) shares of AUD 1 each fully paid up in Oraderm Pharmaceuticals Pty Limited, Australia	0.54	-	-
- 800 (As at March 31, 2016: Nil, As at April 1, 2015: Nil) shares of USD 1,000 each unpaid in Strides Shasun Latina, SA de CV, Mexico	-	-	-
Total [B]	**0.54**	**-**	**-**
(C) Investments carried at amortised cost:			
Equity shares, unquoted			
- 1,050 (As at March 31, 2016: 1,050, As at April 1, 2015: 1,050) shares of AUD 1 each in Red Vault Investments Pty Limited, Australia	150.87	150.87	150.87
Less: Provision for diminution in value of investments	(150.87)	(150.87)	(150.87)
- 828,675 (As at March 31, 2016: 884,675, As at April 1, 2015: Nil) shares of ₹ 10 each fully paid up in Clarion Wind Farm Private Limited, India (Refer note 36.1)	8.29	8.85	-
- 6,000,000 (As at March 31, 2016: Nil, As at April 1, 2015: Nil) shares in Sonnet Biothera Inc, USA	0.55	-	-
- 4,242 (As at March 31, 2016: 4,242, As at April 1, 2015: Nil) shares of ₹ 100 each fully paid up in SIPCOT Industrial Common Utilities Limited, India (Refer note 36.1)	0.42	0.42	-
- 45,000 (As at March 31, 2016: 45,000, As at April 1, 2015: Nil) shares of ₹ 10 each fully paid up in Tulysan Lec Limited, India (Refer note 36.1)	1.35	1.35	-
- 110,870 (As at March 31, 2016: 175,870, As at April 1, 2015: Nil) shares of ₹ 10 each fully paid up in Beta Wind Farm Private Limited, India (Refer note 36.1)	2.11	3.34	-
Total [C]	**12.72**	**13.96**	**-**

Notes

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₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
(D) Other investments at FVTOCI:			
Equity shares, quoted			
- 1,739,130 (As at March 31, 2016: 1,739,130, As at April 1, 2015: 6,000,000) shares in Oncobiologics Inc, USA*	302.30	432.14	687.56
"*under the scheme of internal restructuring, Oncobiologics Inc. effected reverse split of the common stock in the ratio of 1-for-3.45 shares. Accordingly, the number of shares held in Oncobiologics Inc. has come down to 1,739,130 as on March 31, 2016 compared with 6,000,000 as on March 31, 2015. With effect from May 13, 2016, Oncobiologics Inc. is listed on stock exchange."			
Total [D]	302.30	432.14	687.56
Total [A+B+C+D]	2,450.65	525.02	687.56
Aggregate book value of quoted investments	302.30	-	-
Aggregate market value of quoted investments	302.30	-	-
Aggregate carrying value of unquoted investments	2,363.10	739.77	838.43
Aggregate amount of impairment in value of investments	(214.75)	(214.75)	(150.87)

(ii) Investments - Current

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Quoted Investments			
Investment in mutual funds:			
Investments measured at Fair Value through Profit or Loss:			
- Reliance Liquid Fund - Treasury Plan - Daily dividend option (Units As at March 31, 2017: 299,932.22, As at March 31, 2016: 2,180,630.23, As at April 1, 2015: 487,513.147)	458.52	3,333.62	745.28
- Reliance Floating Rate Fund - Short Term Plan - Growth Plan (Units As at March 31, 2017: 12,382,228.616, As at March 31, 2016: 12,382,228.616, As at April 1, 2015: 20,332,228.616)	318.86	293.80	447.56
- Reliance Fixed Horizon Fund - XXV - Series 17 - Direct Plan Growth Plan (Units As at March 31, 2017: Nil, As at March 31, 2016:Nil, As at April 1, 2015:75,000,000)	-	-	835.10
- Reliance Fixed Horizon Fund - XXVI - Series 33 - Direct Plan Growth Plan (Units As at March 31, 2017: Nil, As at March 31, 2016:Nil, As at April 1, 2015: 15,000,000)	-	-	160.02
- Reliance Fixed Horizon Fund - XXVI - Series 5 - Direct Plan Growth Plan (Units As at March 31, 2017:Nil, As at March 31, 2016: Nil, As at April 1, 2015: 30,000,000)	-	-	328.31
- Reliance Floating Rate Fund - Short Term Plan - Direct Monthly Dividend Plan (Units As at March 31, 2017: 93,906,412.869, As at March 31, 2016: 93,906,412.869, As at April 1, 2015: Nil)	1,018.65	1,003.08	-
- Reliance Banking & PSU Debt Fund - Direct Monthly Dividend Plan (Units As at March 31, 2017: 361,213,176.255, As at March 31, 2016:146,815,570.281, As at April 1, 2015: Nil)	3,715.22	1,504.36	-
- Reliance Floating Rate Fund - Short Term Plan - Direct Daily - Dividend Reinvestment (Units As at March 31, 2017:93,132,496.994, As at March 31, 2016: Nil, As at April 1, 2015: Nil)	942.50	-	-
- Tata Liquid Fund Direct Plan - Daily dividend (Units As at March 31, 2017:Nil, As at March 31, 2016: 43.032, As at April 1, 2015: 40.785)	-	0.05	0.05
- Tata Fixed Maturity Plan Series 46 Scheme K - Direct Plan - Growth (Units As at March 31, 2017: Nil, As at March 31, 2016: Nil, As at April 1, 2015: 25,000,000)	-	-	277.85

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₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
- Tata Fixed Maturity Plan Series 47 Scheme D - Direct Plan - Growth (Units As at March 31, 2017: Nil, As at March 31, 2016: Nil, As at April 1, 2015: 15,000,000)	-	-	164.53
- IDFC Cash Fund - Daily Dividend - Direct Plan (Units As at March 31, 2017: Nil, As at March 31, 2016: Nil, As at April 1, 2015:104,370.342)	-	-	104.43
- IDFC Fixed Term Plan Series 88 Direct Plan -Growth (Units As at March 31, 2017: Nil, As at March 31, 2016: Nil, As at April 1, 2015: 20,000,000)	-	-	218.65
- IDFC Super Saver Income Fund - Short Term Plan - Monthly Dividend - Direct Plan (Units As at March 31, 2017: 36,056,652.212, As at March 31, 2016: Nil, As at April 1, 2015:Nil)	374.42	-	-
- L&T Liquid Fund Direct Plan - Daily Dividend Reinvestment Plan (Units As at March 31, 2017:22,519.449, As at March 31, 2016: Nil, As at April 1, 2015: Nil)	22.82	-	-
- L&T Fixed Maturity Plan Series 10 - Plan S - Direct Growth (Units As at March 31, 2017: Nil, As at March 31, 2016: Nil, As at April 1, 2015: 50,000,000)	-	-	546.84
- Religare Invesco Fixed Maturity Plan- Sr. 23 - Plan G - Direct Plan Growth (Units As at March 31, 2017: Nil, As at March 31, 2016: Nil, As at April 1, 2015: 10,000,000)	-	-	109.24
- SBI Premier Liquid Fund - Direct Plan - Daily dividend option (Units As at March 31, 2017: 585,330.993, As at March 31, 2016: Nil, As at April 1, 2015: 290,602.913)	587.23	-	291.55
- ICICI Prudential Liquid - Direct Plan - Daily Dividend (Units As at March 31, 2017: 5,386,201.904 As at March 31, 2016: 27,486,846.869, As at April 1, 2015: 6,711,986.703)	538.99	2,750.57	671.58
- ICICI Prudential Ultra Short Term - Direct Plan - Daily Dividend (Units As at March 31, 2017: 105,412,659.519, As at March 31, 2016: 99,109,760.030, As at April 1,2015: Nil)	1,065.34	1,001.64	-
- ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Daily Dividend (Units As at March 31, 2017: 362,093,006.272 As at March 31, 2016: 145,288,300.421, As at April 1, 2015: Nil)	3,752.84	1,503.88	-
- ICICI Prudential Fixed Maturity Plan series 73 - 378 Days Plan O Direct Plan Cumulative (Units As at March 31, 2017:Nil, As at March 31, 2106: Nil, As at April 1, 2015 50,000,000)	-	-	547.29
- HDFC Fixed Maturity Plan 378 Days Mar 2014-1-Direct-Growth (Units As at March 31, 2017:Nil, As at March 31, 2016:Nil, As at April 1, 2015: 25,000,000)	-	-	273.53
- Birla Sun Life Fixed Term Plan-Series KW-Gr. Direct - Reinvestment (Units As at March 31, 2017: Nil, As at March 31, 2016: Nil, As at April 1, 2015: 25,000,000)	-	-	273.37
- SBI Premium Liquid Fund- Direct Plan - Daily Dividend (Units As at March 31, 2017: Nil, As at March 31, 2016: 254,440.918, As at April 1, 2015: Nil)	-	251.99	-
- Reliance Mutual Funds - Direct Plan - Daily Dividend (Units As at March 31, 2017: Nil, As at March 31, 2016: 87,807.185, As at April 1, 2015: Nil)	-	494.56	-
Total	**12,795.39**	**12,137.55**	**5,995.18**
Current investments offered as security towards borrowings	10,867.87	4,075.83	4,397.29
Current investments in the nature of `Cash and cash equivalents' considered as part of cash and cash equivalents in the Statement of cash flows	1,927.52	8,061.72	1,597.89
Note (i): Details of security offered to:			
- Borrowing availed by the Group (Refer note 21)	10,867.87	4,075.83	4,397.29

The market value of quoted investments is equal to the carrying value.

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Note No. 9 Loans

Loans (unsecured) consist of the following:

(i) Non-current loans

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
At amortised cost			
Considered good:			
Recoverable from:			
- Employees	0.85	10.62	-
- Other parties	350.00	104.85	-
Considered doubtful:			
- Suppliers (Refer note below)	7.36	485.48	534.06
- Less: Provision for doubtful loans	(7.36)	(485.48)	(534.06)
	-	-	-
Total	350.85	115.47	-

Note : In the current year, the Group has recovered doubtful advances of ₹ 214.44 Million which was provided in the earlier years which has been recognised as write back of provision no longer required under other income. The remaining doubtful balance from the party has been written off.

(ii) Current loans

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Considered good:			
Recoverable from:			
- Employees	73.57	71.38	21.35
- Other parties	12.41	56.69	250.00
Total	85.98	128.07	271.35

Note No. 10 Other financial assets

Other financial assets consist of the following:

(i) Non-current financial assets

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Security deposits	224.56	242.53	85.12
Total	224.56	242.53	85.12

(ii) Current financial assets

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Unsecured, considered good:			
Consideration receivable on disposal of business (Refer note 37.2.4)	739.12	-	-
Interest accrued on deposits	78.14	15.59	11.32
Interest accrued on loans and advances given	15.03	-	-
Mark to market gain on foreign exchange forward contracts	382.15	139.72	90.40
Others:			
- Gratuity claim receivable	5.28	0.94	0.44
- Insurance claim receivable	24.12	24.16	-
Total	1,243.84	180.41	102.16

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Note No. 11 Deferred tax balances

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Deferred tax assets (net)	701.15	958.19	88.20
Deferred tax liabilities (net)	(789.02)	(455.80)	(145.86)
Total	(87.87)	502.39	(57.66)

₹ In Million

2016-2017	Opening balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Acquisitions/ disposals	Exchange differences	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Cash flow hedges	(48.42)	-	(69.42)	-	-	(117.84)
(including forward element of forward contracts)						
Property, plant and equipment	(445.06)	(138.32)	-	(148.11)	(0.07)	(731.56)
Intangible assets - Goodwill	(32.59)	(55.88)	-	-	-	(88.47)
Intangible assets - Other than Goodwill	(179.82)	(0.33)	-	(385.82)	1.21	(564.76)
FVTPL financial assets	(21.29)	(4.76)	-	-	-	(26.05)
Deferred revenue	0.37	(0.14)	-	-	(0.01)	0.22
Exchange difference on foreign operations	0.37	-	-	5.41	(0.03)	5.75
Defined benefit obligation	50.73	(12.10)	49.82	-	(0.30)	88.15
Other financial liabilities	(39.35)	(0.83)	-	-	5.19	(34.99)
Others	32.38	(26.32)	-	(14.49)	(2.41)	(10.84)
Elimination of unrealised margin on intra-group transactions	125.65	33.95	-	-	-	159.60
Provision for employee benefits	101.71	52.39	-	-	(0.38)	153.72
Merger related expenses	35.90	(8.98)	-	-	-	26.92
Provision for doubtful debts and other assets	86.39	(20.97)	-	2.13	(0.27)	67.28
Provision and impairment in value of asset/ investment	2.02	3.80	-	-	(0.23)	5.59
MTM Losses	0.20	(0.20)	-	-	-	-
Sub Total	**(330.81)**	**(178.69)**	**(19.60)**	**(540.88)**	**2.70**	**(1,067.28)**
Tax losses	353.52	346.60	-	(111.91)	(44.11)	544.10
MAT credit entitlement	628.47	(159.78)	-	-	-	468.69
Carried forward accumulated depreciation	(148.79)	-	-	96.17	19.24	(33.38)
Grand Total	**502.39**	**8.13**	**(19.60)**	**(556.62)**	**(22.17)**	**(87.87)**

₹ In Million

2015-2016	Opening balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Acquisitions/ disposals	Exchange differences	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Cash flow hedges	(31.20)	-	(17.22)	-	-	(48.42)
(including forward element of forward contracts)						
Property, plant and equipment	(124.51)	16.18	-	(336.73)	-	(445.06)
Intangible assets - Goodwill	-	(32.59)	-	-	-	(32.59)
Intangible assets - Other than Goodwill	(46.77)	(81.91)	-	(51.14)	-	(179.82)
FVTPL financial assets	(132.30)	111.01	-	-	-	(21.29)
Deferred revenue	-	-	-	0.37	-	0.37
Exchange difference on foreign operations	1.73	(1.52)	-	-	0.16	0.37
Defined benefit obligation	26.30	(3.07)	1.47	25.85	0.18	50.73

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₹ In Million

2015-2016	Opening balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Acquisitions/ disposals	Exchange differences	Closing balance
Other financial liabilities	-	(59.93)	-	10.44	10.14	(39.35)
Others	-	16.57	-	16.67	(0.86)	32.38
Elimination of unrealised margin on intra-group transactions	51.96	72.83	-	-	0.86	125.65
Provision for employee benefits	56.90	7.87	-	37.44	(0.50)	101.71
Merger related expenses	37.72	(1.82)	-	-	-	35.90
Provision for doubtful debts and other assets	37.48	17.62	-	30.40	0.89	86.39
Provision and impairment in value of asset/ investment	0.91	(13.77)	-	14.72	0.16	2.02
MTM Losses	-	(1.10)	-	1.30	-	0.20
Sub Total	**(121.78)**	**46.37**	**(15.75)**	**(250.68)**	**11.03**	**(330.81)**
Tax losses	105.27	(143.57)	-	386.86	4.96	353.52
MAT credit entitlement	-	327.12	-	301.35	-	628.47
Carried forward accumulated depreciation	(41.15)	(69.61)	-	(33.21)	(4.82)	(148.79)
Grand Total	**(57.66)**	**160.31**	**(15.75)**	**404.32**	**11.17**	**502.39**

As at March 31, 2017

₹ In Million

Particulars	Deferred tax assets	Deferred tax liabilities	Net
Deferred tax (liabilities)/assets in relation to:			
Cash flow hedges	-	(117.84)	(117.84)
(including forward element of forward contracts)			
Property, plant and equipment	(0.17)	(731.39)	(731.56)
Intangible assets - Goodwill	-	(88.47)	(88.47)
Intangible assets - Other than Goodwill	(67.11)	(497.65)	(564.76)
FVTPL financial assets	-	(26.05)	(26.05)
Deferred revenue	0.22	-	0.22
Exchange difference on foreign operations	0.34	5.41	5.75
Defined benefit obligation	9.14	79.01	88.15
Other financial liabilities	21.85	(56.84)	(34.99)
Others	(2.18)	(8.66)	(10.84)
Elimination of unrealised margin on intra-group transactions	159.62	(0.02)	159.60
Provision for employee benefits	6.29	147.43	153.72
Merger related expenses	-	26.92	26.92
Provision for doubtful debts and other assets	2.72	64.56	67.28
Provision and impairment in value of asset/ investment	1.82	3.77	5.59
Sub Total	**132.54**	**(1,199.82)**	**(1,067.28)**
Tax losses	133.34	410.76	544.10
MAT credit entitlement	468.69	-	468.69
Carried forward accumulated depreciation	(33.42)	0.04	(33.38)
Grand Total	**701.15**	**(789.02)**	**(87.87)**

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As at March 31, 2016

₹ In Million

Particulars	Deferred tax assets	Deferred tax liabilities	Net
Deferred tax (liabilities)/assets in relation to:			
Cash flow hedges	-	(48.42)	(48.42)
(including forward element of forward contracts)			
Property, plant and equipment	-	(445.06)	(445.06)
Intangible assets - Goodwill	-	(32.59)	(32.59)
Intangible assets - Other than Goodwill	(46.80)	(133.02)	(179.82)
FVTPL financial assets	-	(21.29)	(21.29)
Deferred revenue	0.37	-	0.37
Exchange difference on foreign operations	0.37	-	0.37
Defined benefit obligation	8.10	42.63	50.73
Other financial liabilities	10.44	(49.79)	(39.35)
Others	16.94	15.44	32.38
Elimination of unrealised margin on intra-group transactions	125.67	(0.02)	125.65
Provision for employee benefits	4.85	96.86	101.71
Merger related expenses	-	35.90	35.90
Provision for doubtful debts and other assets	2.98	83.41	86.39
Provision and impairment in value of asset/ investment	1.99	0.03	2.02
MTM Losses	-	0.20	0.20
Sub Total	**124.91**	**(455.72)**	**(330.81)**
Tax losses	353.63	(0.11)	353.52
MAT credit entitlement	628.47	-	628.47
Carried forward accumulated depreciation	(148.82)	0.03	(148.79)
Grand Total	**958.19**	**(455.80)**	**502.39**

As at April 1, 2015

₹ In Million

Particulars	Deferred tax assets	Deferred tax liabilities	Net
Deferred tax (liabilities)/assets in relation to:			
Cash flow hedges	-	(31.20)	(31.20)
(including forward element of forward contracts)			
Property, plant and equipment	-	(124.51)	(124.51)
Intangible assets - Other than Goodwill	(41.26)	(5.51)	(46.77)
FVTPL financial assets	-	(132.30)	(132.30)
Exchange difference on foreign operations	1.73	-	1.73
Defined benefit obligation	1.40	24.90	26.30
Elimination of unrealised margin on intra-group transactions	51.98	(0.02)	51.96
Provision for employee benefits	-	56.90	56.90
Merger related expenses	-	37.72	37.72
Provision for doubtful debts and other assets	9.34	28.14	37.48
Provision and impairment in value of asset/ investment	0.91	-	0.91
Sub Total	**24.10**	**(145.88)**	**(121.78)**
Tax losses	105.25	0.02	105.27
MAT credit entitlement	-	-	-
Carried forward accumulated depreciation	(41.15)	-	(41.15)
Grand Total	**88.20**	**(145.86)**	**(57.66)**

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Note No. 12 Income tax assets (net)

The income tax assets consists of the following:

(i) Non-current income tax assets

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Advance income tax (net of provisions)	343.96	348.86	296.62
Taxes paid under protest	698.17	550.10	457.74
Total	**1,042.13**	**898.96**	**754.36**

(ii) Current income tax assets

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Advance income tax (net of provisions)	165.72	69.74	37.95
Income tax refund receivable	4.39	13.08	-
Total	**170.11**	**82.82**	**37.95**

Note No. 13 Other assets

Other assets (unsecured) consist of the following:

(i) Other non-current assets

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Considered good:			
- Capital advances	327.14	480.39	128.83
- Prepaid expenses	126.29	199.49	-
- Lease equalisation asset	22.06	18.95	12.65
- Advances to others	84.45	274.34	189.39
Balances with government authorities:			
- VAT credit receivable	1.36	1.36	1.36
- Taxes paid under protest	26.31	6.64	4.29
Others:			
- Receivable from KIADB	6.44	6.44	6.44
Total	**594.05**	**987.61**	**342.96**

(ii) Other current assets

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Considered good:			
Advance to suppliers	1,785.56	764.50	229.19
Prepaid expenses	241.88	225.68	187.29
Unbilled revenue	8.68	530.59	8.42
Balances with government authorities:			
- CENVAT credit receivable	114.40	198.28	39.15
- VAT credit receivable	319.26	405.34	105.62
- Service Tax credit receivable	164.56	188.93	140.58
- Incentives receivable	590.23	729.80	108.58
Considered doubtful:			
Advance to suppliers	3.42	3.42	-
Less: Provision for doubtful loans and advances	(3.42)	(3.42)	-
	-	-	-
Total	**3,224.57**	**3,043.12**	**818.83**

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Note No. 14 Inventories

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Raw materials	2,590.86	2,508.00	1,142.12
- Goods-in-transit	297.25	353.21	221.49
Work-in-progress	648.65	832.34	128.69
Finished goods (other than those acquired for trading)	957.09	645.37	223.67
- Goods-in-transit	197.81	225.64	9.28
Stock-in-trade (acquired for trading)	2,567.48	1,411.11	331.75
Stores and spares	120.80	155.70	19.76
Total	**7,379.94**	**6,131.37**	**2,076.76**

The amount of write down of inventory recognised as an expense during the year is ₹ 827.76 Million (Previous year ₹ 276.83 Million)

Note No. 15 Trade receivables

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Unsecured			
Considered good	9,970.52	10,329.72	3,671.23
Considered doubtful	1,241.90	819.33	356.39
	11,212.42	**11,149.05**	**4,027.62**
Less: Allowance for doubtful trade receivables	(1,241.90)	(819.33)	(356.39)
Total	**9,970.52**	**10,329.72**	**3,671.23**

In determining the allowance for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Movement in Expected credit loss allowance

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Balance at the beginning of the year	819.33	356.39
Movement in Expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	422.57	462.94
Balance at end of the year	**1,241.90**	**819.33**

The Group has availed bill discounting facilities from the banks which do not meet the derecognition criteria for transfer of contractual rights to receive cashflows from the respective trade receivables since they are with recourse to the group. Accordingly as at March 31, 2017, trade receivables balances include ₹ 264.56 Million (As at March 31, 2016: ₹ 473.28 Million and As at April 1, 2015: ₹ 270.69 Million) and the corresponding financial liability to the banks is included as part of working capital loan under short- term borrowings.

Note No. 16 Cash and cash equivalents

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Cash on hand	2.95	6.65	3.71
Balances with banks:			
- In current accounts	2,076.84	2,183.35	1,015.86
- In EEFC accounts	19.44	62.97	-
- In Escrow account	2.00	2.00	-
- In deposit accounts	1,122.04	787.87	371.59
- Funds-in-transit	-	2.85	-
Total	**3,223.27**	**3,045.69**	**1,391.16**

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Specified bank notes disclosure (SBNs)

In accordance with MCA notification G.S.R. 308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016 is given below:

₹

Particulars	SBNs	ODNs	Total
Closing cash on hand as on November 8, 2016	915,500	642,410	1,557,910
(+) Permitted receipts	155,500	3,801,192	3,956,692
(-) Permitted payments	19,500	3,554,958	3,574,458
(-) Amounts Deposited in Banks	1,051,500	-	1,051,500
Closing cash on hand as on December 30, 2016	**-**	**888,644**	**888,644**

Note No. 17 Other balances with banks

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
- In earmarked accounts:			
- Unpaid dividend accounts	67.08	68.52	67.55
- Unpaid shares accounts	0.33	-	-
- Group gratuity accounts	1.26	0.31	3.11
- Balance held as margin money against working capital facilities with banks	2.82	1.36	12.00
Total	71.49	70.19	82.66

Note No. 18 Equity share capital

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Authorised			
176,750,000 Equity shares of ₹ 10/- each with voting rights	1,767.50	1,767.50	897.50
(March 31, 2016: 176,750,000 equity shares of ₹ 10/- each)			
(April 01, 2015: 89,750,000 equity shares of ₹ 10/- each)			
Nil 6% Cumulative redeemable preference shares of ₹ 1,000/- each	-	-	620.00
(March 31, 2016: Nil)			
(April 01, 2015: 620,000 6% cumulative redeemable preference shares of ₹ 1,000/- each)			
Total	1,767.50	1,767.50	1,517.50
Issued, subscribed and fully paid-up			
89,423,006 Equity shares of ₹ 10/- each with voting rights	894.23	893.46	596.16
(March 31, 2016: 89,345,978 equity shares of ₹ 10/- each)			
(April 01, 2015: 59,615,621 equity shares of ₹ 10/- each)			
Total	894.23	893.46	596.16

(i) Reconciliation of no. of shares and amount outstanding

Particulars	Notes	31-Mar-17		31-Mar-16	
		No. of shares	₹ In Million	No. of shares	₹ In Million
Equity share capital					
Equity share of ₹ 10/- each					
Balance at the beginning of the year		89,345,978	893.46	59,615,621	596.16
Changes in equity share capital during the year					
- Issued pursuant to employee stock option plans	44	77,028	0.77	85,000	0.85
- Issued pursuant to the scheme of amalgamation	36.1	-	-	21,017,329	210.17
- Issued pursuant to the qualified institutional placement	38	-	-	8,628,028	86.28
Balance at the end of the year		89,423,006	894.23	89,345,978	893.46

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(ii) Detail of the rights, preferences and restrictions attaching to each class of outstanding equity shares of ₹ 10/- each:
The Company has only one class of equity shares, having a par value of ₹ 10/- each. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to approval by the shareholders at the ensuing annual general meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all other parties concerned. The distribution will be in proportion to number of equity shares held by the shareholders.

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

Particulars	31-Mar-17		31-Mar-16		01-Apr-15	
	No. of shares	%	No. of shares	%	No. of shares	%
Pronomz Ventures LLP	12,665,000	14.16%	12,665,000	14.18%	12,665,000	21.24%
DB International (Asia) Limited					3,963,972	6.65%
SBI Magnum Multiplier Fund	5,818,481	6.51%				

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

Particulars	No. of shares		
	31-Mar-17	31-Mar-16	01-Apr-15
Towards employee stock options under the various Strides stock option plans (Refer note 44)	3,193,097	335,000	1,890,450
Total	3,193,097	335,000	1,890,450

Note No. 19 Other equity

₹ In Million

Particulars	Notes	As at 31-Mar-17	31-Mar-16	01-Apr-15
Capital reserve	19 (i)	438.97	438.97	225.60
Capital reserve on consolidation	19 (ii)	-	0.23	0.21
Securities premium account	19 (iii)	18,879.22	18,822.25	6,013.74
Capital redemption reserve	19 (iv)	601.61	601.61	551.61
Share options outstanding account	19 (v)	88.54	57.71	21.97
Equity for gross obligation	19 (vi)	(4,138.54)	(1,471.27)	(131.46)
General reserve	19 (vii)	3,970.93	3,970.93	3,498.79
Retained earnings	19 (viii)	2,184.74	(1,362.00)	(3,667.20)
Equity instrument through other comprehensive income	19 (ix)	(410.60)	(296.68)	-
Effective portion of cash flow hedge	19 (x)	222.63	91.88	59.20
Foreign currency translation reserve	19 (xi)	4,469.91	4,834.02	4,389.20
Remeasurement of the defined benefit liabilities / (assets)	19 (xii)	(97.19)	(2.44)	-
Total		26,210.22	25,685.22	10,961.66

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Reserves and surplus		
(i) Capital reserve		
Opening balance	438.97	225.60
Add: Pursuant to the scheme of amalgamation as referred in note 36.1	-	3.00
Add: Pursuant to issue of shares in subsidiaries to non-controlling interests	-	286.03
Less: Excess of share capital issued by the Company over the capital of the Transferor company pursuant to the merger (Refer note 36.1)	-	(75.66)
Closing balance	438.97	438.97
(ii) Capital reserve on consolidation	-	0.23

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₹ In Million

Particulars	31-Mar-17	31-Mar-16
(iii) Securities premium account		
Opening balance	18,822.25	6,013.74
Add: Pursuant to the scheme of amalgamation as referred in note 36.1	-	1,381.78
Add: Premium on shares issued during the year	56.97	11,753.39
Less: Shares issue expenses (Refer note 38)	-	(326.66)
Closing balance	**18,879.22**	**18,822.25**
(iv) Capital redemption reserve		
Opening balance	601.61	551.61
Add: Pursuant to the scheme of amalgamation as referred in note 36.1	-	50.00
Closing balance	**601.61**	**601.61**
(v) Share options outstanding account		
Opening balance	106.81	84.08
Add: Pursuant to the scheme of amalgamation as referred in note 36.1	-	7.97
Add: Amounts recorded on grants / (lapse) during the year	57.13	31.81
Less: Transferred to securities premium account on exercise (net)	(23.89)	(17.05)
	140.05	**106.81**
Less: Deferred stock compensation expenses	(51.51)	(49.10)
Closing balance	**88.54**	**57.71**
(vi) Equity for gross obligation		
Opening balance	(1,471.27)	(131.46)
Less: Pursuant to new acquisitions during the year (Refer note 36.2)	(2,878.21)	(1,339.81)
Add: Exchange impact through OCI	27.87	-
Add: Settlement of unexercised put option as referred in note 37	183.07	-
Closing balance	**(4,138.54)**	**(1,471.27)**
(vii) General reserve		
Opening balance	3,970.93	3,498.79
Add: Pursuant to the scheme of amalgamation as referred in note 36.1	-	472.14
Closing balance	**3,970.93**	**3,970.93**
(viii) Retained earnings		
Opening balance	(1,362.00)	(3,667.20)
Add: Pursuant to the scheme of amalgamation as referred in note 36.1	-	1,488.79
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on account of componentisation of items of property, plant and equipment (net of deferred tax)	-	(8.67)
Add: Profit for the year	3,997.49	1,085.24
Less: Interim dividend on equity shares (₹ Nil, previous year ₹ 1 per share)	-	(67.22)
Final dividend on equity shares (₹ 4 per share, previous year ₹ 3 per share)	(375.95)	(178.87)
Tax on interim dividend	-	(14.07)
Tax on final dividend	(74.80)	-
Closing balance	**2,184.74**	**(1,362.00)**
Total Reserves and surplus [A]	**22,025.47**	**21,058.43**
Items of other comprehensive income		
(ix) Equity instrument through other comprehensive income		
Opening balance	(296.68)	-
Less: Other comprehensive income for the year	(113.92)	(296.68)
Closing balance	**(410.60)**	**(296.68)**
(x) Effective portion of cash flow hedge		
Opening balance	91.88	59.20
Add: Other comprehensive income for the year (net of tax)	130.75	32.68
Closing balance	**222.63**	**91.88**
(xi) Foreign currency translation reserve		
Opening balance	4,834.02	4,389.20
Add: Pursuant to the scheme of amalgamation as referred in note 36.1	-	(12.36)
Add / (Less): Other comprehensive income for the year	(364.11)	457.18
Closing balance	**4,469.91**	**4,834.02**

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₹ In Million

Particulars	31-Mar-17	31-Mar-16
(xii) Remeasurement of the defined benefit liabilities / (assets)		
Opening balance	(2.44)	-
Less: Other comprehensive income for the year (net of tax)	(94.75)	(2.44)
Closing balance	**(97.19)**	**(2.44)**
Total items of other comprehensive income [B]	**4,184.75**	**4,626.78**
Attributable to equity holders of the Company [A + B]	**26,210.22**	**25,685.22**

Note No. 20 Non-controlling interests

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Opening balance	502.11	139.17
Add / (Less): Profit/(loss) for the year	461.96	(135.27)
Less: Other comprehensive income for the year	(0.79)	-
Add / (Less): Pursuant to exchange movement	39.17	(68.92)
Add: Pursuant to business combinations (Refer note 36.2)	762.86	231.80
Add: Pursuant to further investment in subsidiary	131.55	-
Add / (Less): Pursuant to disposal of interest (Refer note 37)	(256.96)	335.33
Closing balance	**1,639.90**	**502.11**

Note No. 21 Borrowings

Borrowings consist of the following:

(i) Long-term borrowings

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Secured			
- Term loan from banks (Refer note (i) to (xvi) below)	12,504.04	22,361.59	1,768.72
- Term loan from others (Refer note (xvii) to (xx) below)	3,675.05	3,691.43	726.85
- Finance lease obligation (Refer note (xxi) to (xxiv) below)	49.56	95.74	-
Unsecured			
- Term loan from others (Refer note (xxv) to (xxvi) below)	148.44	121.25	34.31
Total	**16,377.09**	**26,270.01**	**2,529.88**

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

₹ In Million

Terms of repayment and security	31-Mar-17	31-Mar-16	01-Apr-15
(i) Term loan from banks: Loan 1			
Long-term loan	8.21	8.26	-
Current maturities of long-term loan	7.32	5.05	0.23
Security: Hypothecation of assets procured from the term loans. Rate of interest: 9.2% p.a to 12.48% p.a. Repayment varies between 36 to 48 monthly installments. The outstanding term as at March 31, 2017 varies between 17 to 44 installments.			
(ii) Term loan from banks: Loan 2			
Long-term loan	-	889.54	1,640.13
Current maturities of long-term loan	891.31	849.12	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, 2017 is 4 installments.			

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₹ In Million

Terms of repayment and security		31-Mar-17	31-Mar-16	01-Apr-15
(iii)	Term loan from banks: Loan 3			
	Long-term loan	1,661.97	2,914.73	-
	Current maturities of long-term loan	300.00	-	-
	Security: Charge on fixed assets of the Company including intangibles , (other than land and building situated at Navi Mumbai, Palghar,Hosur and Kumarpettai properties) and second charge on current assets of the Company 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, 2017 is 14 installments. During the year 2016-17, the bank has assigned ₹ 2,000 Million to another bank and financial institution.			
(iv)	Term loan from banks: Loan 4			
	Long-term loan	990.98	-	-
	Current maturities of long-term loan	-	-	-
	Security: Charge on fixed assets of the Company including intangibles , (other than land and building situated at Navi Mumbai, Palghar,Hosur and Kumarpettai properties) and second charge on current assets of the Company Rate of interest: MCLR Repayment terms: 16 unequal quarterly installments commencing after 18 months from initial utilisation date. The outstanding term as at March 31, 2017 is 16 installments.			
(v)	Term loan from banks: Loan 5			
	Long-term loan	101.45	179.66	-
	Current maturities of long-term loan	81.06	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 paripassu 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 utilisation date. The outstanding term as at March 31, 2017 is 10 installments.			
(vi)	Term loan from banks: Loan 6			
	Long-term loan	1,217.23	1,543.47	-
	Current maturities of long-term loan	341.50	393.90	-
	Security: Pari-passu first charge on the entire fixed assets of the Company, existing and future, on paripassu 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 + 3.00% p.a. Repayment terms: 66 equal monthly installments commencing after 6 months from initial utilisation date. The outstanding term as at March 31, 2017 is 54 installments.			
(vii)	Term loan from banks: Loan 7			
	Long-term loan	-	3,610.90	-
	Current maturities of long-term loan	3,534.87	-	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.			

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₹ In Million

Terms of repayment and security	31-Mar-17	31-Mar-16	01-Apr-15
(viii) Term loan from banks: Loan 8			
Long-term loan	4,685.74	9,317.87	-
Current maturities of long-term loan	361.55	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: 3 months 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, 2017 is 13 installments.			
(ix) Term loan from banks: Loan 9			
Long-term loan	3,136.88	2,807.93	-
Current maturities of long-term loan	658.78	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: 3 months 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, 2017 is 9 installments.			
(x) Term loan from banks: Loan 10			
Long-term loan	564.82	-	-
Current maturities of long-term loan	83.78	-	-
Security: Financial assets hypothecated out of amount financed and cash margins provided by the Company Rate of interest: One Year LIBOR + 1.25% p.a. Repayment terms: 31 unstructured installments commencing after 14 months from date of disbursement. The outstanding term as at March 31, 2017 is 31 installments.			
(xi) Term loan from banks: Loan 11			
Long-term loan	69.27	-	-
Current maturities of long-term loan	29.69	-	-
Security: first charge on all the fixed assets, intangible assets and current assets of the borrowing subsidiary and its subsidiaries, both present and future Rate of interest: 1.81% p.a. Repayment terms: 12 unstructured quarterly installments commencing after 4 months from date of disbursement. The outstanding term as at March 31, 2017 is 12 installments.			
(xii) Term loan from banks: Loan 12			
Long-term loan	67.49	-	-
Current maturities of long-term loan	93.44	-	-
Security : first charge on all the fixed assets, intangible assets and current assets of the borrowing subsidiary, both present and future Rate of interest: Bank USD Base rate Repayment terms: Repayable in 89 monthly installments commencing from June 2013. The outstanding term as at March 31, 2017 is 43 installments.			
(xiii) Term loan from banks: Loan 13			
Long-term loan	-	-	128.59
Current maturities of long-term loan	-	-	-
Security: Hypothecation of assets procured from the term loan. 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.			

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₹ In Million

Terms of repayment and security	31-Mar-17	31-Mar-16	01-Apr-15
(xiv) Term loan from banks: Loan 14			
Long-term loan	-	631.97	-
Current maturities of long-term loan	-	-	-
Security: First pari-passu charge on movable and immovable assets of the borrowing subsidiary including current assets and pledge of 30% of shares in the borrowing subsidiary held by the Company. Rate of interest: 3 month's LIBOR + 3.65% p.a. Repayment terms: 28 quarterly installments commencing from 27 months from initial utlisation.			
(xv) Term loan from banks: Loan 15			
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.			
(xvi) Term loan from banks: Loan 16			
Long-term loan	-	294.38	-
Current maturities of long-term loan	-	107.05	-
Security: Charge over all fixed assets and moveable assets of borrowing subsidiary and corporate guarantee by the Company Rate of interest: LIBOR + 3.15% p.a. Repayment terms: Repayable in 16 equal quarterly installments.			
(xvii) Term loan from others: Loan 1			
Long-term loan	826.73	-	-
Current maturities of long-term loan	150.00	-	-
Security: Charge on fixed assets of the Company including intangibles , (other than land and building situated at Navi Mumbai, Palghar,Hosur and Kumarpettai properties) and second charge on current assets of the Company 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, 2017 is 14 installments.			
(xviii) Term loan from others: Loan 2			
Long-term loan	2,848.23	3,020.37	-
Current maturities of long-term loan	121.96	-	-
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, 2017 is 14 installments.			
(xix) Term loan from others: Loan 3			
Long-term loan	0.09	1.27	2.32
Current maturities of long-term loan	1.18	1.07	0.97
Security: Hypothecation of assets procured from the term loan. 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, 2017 is 13 installments.			

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₹ In Million

Terms of repayment and security	31-Mar-17	31-Mar-16	01-Apr-15
(xx) Term loan from others: Loan 4			
Long-term loan	-	669.79	724.53
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 terms: 18 unequal quarterly installments commencing after 30 months from initial disbursement date.			
(xxi) Finance lease obligation:			
Long-term maturity of finance lease obligation	39.63	56.61	-
Current maturities of finance lease obligation	16.98	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, 2017 is 13 installments.			
(xxii) Finance lease obligation:			
Long-term maturity of finance lease obligation	1.55	-	-
Current maturities of finance lease obligation	0.60	-	-
Rate of interest: 13.14% p.a. Repayment terms: Repayable in 48 monthly installments commencing from May 2016. The outstanding term as at March 31, 2017 is 37 installments.			
(xxiii) Finance lease obligation:			
Long-term maturity of finance lease obligation	8.38	-	-
Current maturities of finance lease obligation	5.82	-	-
Rate of interest: Bank reference rate + 5.10% p.a. / Bank USD Base rate Repayment terms: Repayable in 42 to 48 monthly installments. The outstanding term as at March 31, 2017 is 2 to 47 installments.			
(xxiv) Finance lease obligation			
Long-term maturity of finance lease obligation	-	39.13	-
Current maturities of finance lease obligation	-	8.40	-
Security: Leased assets Rate of interest: 5.9% to 6.2% p.a. Repayment terms: Repayable in 60 to 84 monthly installments.			
(xxv) Unsecured Long-term loan 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.			
(xxvi) Unsecured Long-term loan from others:			
Long-term loan	148.44	121.25	34.31
Current maturities of long-term loan	-	-	5.37
Rate of interest: Nil Repayment terms: Repayable as and when the funds permit.			
Total	23,056.93	28,413.05	6,742.76

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Disclosed under long term borrowings	16,377.09	26,270.01	2,529.88
Disclosed under other current liabilities :			
- Current maturities of long term loans	6,656.44	2,119.32	4,212.88
- Current maturities of finance lease obligations	23.40	23.72	-
Total	23,056.93	28,413.05	6,742.76

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

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Term loans from banks (secured and unsecured and including current maturities of these loans)	-	1,738.66	2,421.44
Total	-	1,738.66	2,421.44

(ii) Short-term borrowings

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Secured loans repayable on demand from banks: (Refer note below)			
- Working capital loans	6,369.54	6,695.38	1,741.00
- Short-term loans	6,531.01	229.18	225.98
Unsecured loans			
- Loans repayable on demand from banks and others	1,039.01	80.19	63.33
Total	13,939.56	7,004.75	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 ₹ 6,584.92 Million (As at March 31, 2016: ₹ 293.79 Million, As at April 01, 2015: ₹ 243.60 Million).

Note No. 22 Other financial liabilities

Other financial liabilities consist of the following:

(i) Other non-current financial liabilities

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Security deposits	37.87	42.77	34.58
Gross obligation under written put option	4,263.70	1,503.40	173.38
Total	4,301.57	1,546.17	207.96

(ii) Other current financial liabilities

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Current maturities of long term loans(Refer note 21(i) above)	6,656.44	2,119.32	4,212.88
Current maturities of finance lease obligations (Refer note 21(i) above)	23.40	23.72	-
Interest accrued but not due on borrowings	124.95	156.43	28.15
Unclaimed dividends	67.09	68.52	67.55
Mark to market loss on derivative instruments	63.23	-	-
Other payables:			
- Payables on purchase of property, plant & equipments and intangible assets	63.92	81.73	25.95
- Payables on purchase of non-current investments	-	1.70	1.70
- Trade deposits received	-	16.10	17.71
- Book overdraft	289.52	64.33	-
- Others	89.26	530.04	500.00
Total	7,377.81	3,061.89	4,853.94

Notes
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Note No. 23 Provisions

Provisions consist of the following:

(i) Non-current provisions

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Provision for employee benefits:			
- Compensated absences	246.84	144.53	60.24
Total	246.84	144.53	60.24

(ii) Current provisions

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Provision for employee benefits:			
- Compensated absences	113.78	121.01	51.31
- Payables to employees under incentive plan	69.66	28.27	78.40
Total	183.44	149.28	129.71

Note No. 24 Other liabilities

Other liabilities consist of the following;

(i) Other non-current liabilities

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Gratuity and other benefits (Refer note 45)	251.93	126.55	123.68
Prepaid rent liability	9.58	-	-
Lease equalisation liability	45.39	15.43	18.52
Total	306.90	141.98	142.20

(ii) Other current liabilities

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Other payables:			
- Advances from customers	468.62	139.72	63.51
- Statutory remittances	274.75	240.65	103.21
- Gratuity and other benefits (Refer note 45)	0.41	37.01	4.01
Total	743.78	417.38	170.73

Note No. 25 Trade payables

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Trade payables:			
- Total outstanding dues of micro enterprises and small enterprises	21.46	69.39	18.83
- Total outstanding dues of creditors other than micro and small enterprises	7,435.15	7,684.57	2,326.84
Total	7,456.61	7,753.96	2,345.67

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Note No. 26 Current income tax liabilities(net)

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Provision for tax (net of advance tax)	700.73	532.59	491.76
Total	**700.73**	**532.59**	**491.76**

Note No. 27 Revenue from operations

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Sale of products	31,694.27	27,125.31
Sale of services	1,863.01	386.90
Other operating revenues	1,276.94	1,109.66
Total	**34,834.22**	**28,621.87**

Note No. 28 Other income

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Interest income	157.10	124.15
Income from current investment designated at FVTPL	705.65	370.56
Gain on sale of short-term investment in mutual funds	-	43.65
Exchange fluctuation gain (net)	387.85	184.92
Rental income from operating leases	59.94	74.98
Other non-operating income:		
- Liabilities / provisions no longer required written back	266.77	52.11
- Guarantee commission	32.47	20.29
- Profit on sale of plant, property & equipments and intangible assets (net)	23.84	2.22
- Recovery on claims	39.40	42.68
- Others	12.77	5.43
Total	**1,685.79**	**920.99**

Note No. 29 Employee benefit expense

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Salaries, incentives and allowances	5,043.08	3,028.49
Contribution to provident and other funds (Refer note 45)	375.82	226.71
Expense on employee stock option plans (Refer note 44)	54.71	44.82
Staff welfare expenses	407.60	276.93
Total	**5,881.21**	**3,576.95**

Note No. 30 Finance costs

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Interest expense on:		
- Borrowings	2,180.73	1,596.22
- Delayed payment of income tax	-	2.96
- Discounting of deposits	2.26	1.99
Other finance cost	86.34	80.56
Total	**2,269.33**	**1,681.73**

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Note No. 31 Depreciation and amortisation expense

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Depreciation on Plant, property and equipments (Refer note 4)	1,142.75	1,024.07
Depreciation on Investment property (Refer note 5)	40.23	38.85
Amortisation on Intangible asset (Refer note 7)	803.96	456.91
Amount charged to the Statement of Profit and Loss:	**1,986.94**	**1,519.83**
- under continuing operations	1,871.51	1,312.54
- under discontinued operations	115.43	207.29

Note No. 32 Other expenses

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Subcontracting	239.45	68.74
Consumables	845.67	561.79
Power and fuel	766.07	767.12
Water	16.04	4.70
Rent including lease rentals as referred in note 46	223.79	141.64
Repairs & maintenance:		
- Buildings	60.81	39.40
- Machinery	406.20	346.79
- Others	239.22	160.87
Insurance	147.56	98.61
Rates and taxes	248.29	581.23
Communication	146.78	80.53
Travelling and conveyance	477.15	312.70
Printing and stationery	56.72	38.49
Freight and forwarding	1,276.60	788.73
Discount and claims	-	15.31
Business promotion	621.74	307.77
Royalty expenses	66.38	14.72
Sales commission	141.56	183.86
Support service	-	11.42
Donations and contributions	8.84	17.34
Expenditure on corporate social responsibility	32.48	31.33
Legal and professional fees (Refer note (i) below)	869.56	658.50
Provision for doubtful debts (including bad debt written off)	6.04	442.48
Loss on sale of plant, property & equipments and intangible assets (net)	0.97	-
Biostudy expenses	79.26	75.40
Miscellaneous expenses	185.65	132.78
Total	**7,162.83**	**5,882.25**

Note:

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

₹ In Million

Particulars	31-Mar-17	31-Mar-16
- Audit of standalone and consolidated financial statements (including Limited reviews)	14.30	14.30
- Other services	9.10	5.70
- Taxation matters	2.22	4.17
- Reimbursement of expenses	0.50	0.50
Total	**26.12**	**24.67**

Note: Excludes ₹ 7.50 Million paid to the auditors in connection with the Qualified Institutional Placement of equity shares which has been charged to Securities Premium during the year ended March 31, 2016. Refer note 38.

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Note No. 33 Exceptional items

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Exchange gain on long-term foreign currency loans and intra-group loans	110.50	55.54
Impairment of Goodwill (Refer note 6)	(79.38)	-
Write down of inventories and other assets	(630.14)	(65.31)
Business combination and restructuring expenses	(234.25)	(221.23)
Recovery of loans & advances written off in earlier years	(2.86)	13.45
Unwinding of discount on gross obligations over written put options to NCI	(118.81)	(32.02)
Fair valuation of derivative instruments	(63.23)	-
Impact of aligning accounting policies on merger of Shasun (Refer note 36.1)	-	(168.16)
Others	12.45	4.05
Total	**(1,005.72)**	**(413.68)**

Note No. 34 Tax expenses

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Current tax		
Current tax expense	484.74	660.61
Current tax expense relating to prior years reversed	(6.61)	(52.91)
Deferred tax benefit		
Deferred tax (credit) / expense	(167.91)	143.96
Minimum alternative tax credit reversed/ utilised	239.75	-
Minimum alternative tax credit availed	(79.97)	(327.12)
Total	**470.00**	**424.54**

The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Profit before income taxes		
- From continuing operations	2,970.93	1,606.00
- From discontinued operations	2,000.46	(141.64)
	4,971.39	**1,464.36**
Indian statutory income tax rate	34.61%	34.61%
Expected income tax expense	1,720.50	506.79
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:		
Income exempt from tax	(2,054.63)	(296.16)
Effect of expenses that are not deductible in determining taxable profit	1,195.82	482.26
Effect of concessions	(719.92)	(339.40)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(32.04)	4.54
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	(235.72)	22.50
Effect of different tax rates of subsidiaries operating in other jurisdictions	151.61	(619.72)
Effect on deferred tax balances due to the change in income tax rate	2.47	(15.00)
Tax pertaining to prior years	233.14	(52.91)
Others	166.85	641.79
Tax pertaining to discontinued operations	41.92	89.85
Total Income tax expense	**470.00**	**424.54**

Notes
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Note No. 35 Details of Research and development expenditure incurred during the year

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Materials	232.49	137.58
Salaries	576.01	333.27
Biostudy expenses	79.26	75.40
Professional fees	28.04	69.35
Consumables	262.52	111.91
Regulatory expenses	43.33	38.47
Travelling expenses	20.14	18.93
Depreciation and amortisation expenses	130.14	100.83
Others	333.29	168.32
Total	**1,705.22**	**1,054.06**

Note: The above are as certified by the management and relied upon by the auditors and includes cost associated with the development services undertaken for customers.

Note No. 36 Merger and acquisitions:

36.1 Merger of Shasun Pharmaceuticals Limited during previous year:

In accordance with the terms of the Scheme of Amalgamation (the 'Scheme') between the Shasun Pharmaceuticals Limited (Transferor Company) and the Company (Transferee Company) which was approved by the Honorable High Courts of Judicature, the Transferor Company was merged with the Company from an appointed date of April 01, 2015. The effective date of the Scheme (being the date on which all the requirements under the Companies Act, 2013 and as per the Scheme have been completed) was November 19, 2015 (the 'Effective Date'). As per the requirement of the Scheme, the merger was accounted under the "pooling of interest method" and accordingly the assets and liabilities acquired have been incorporated at their carrying amounts as of the appointed date.

Pursuant to the Scheme, the Company allotted 21,017,329 equity shares to shareholders of Transferor Company in the ratio of 5 equity shares of ₹ 10/- each of the Company for every 16 shares of ₹ 2/- each held by shareholders of Transferor Company 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 accordingly. An amount of ₹ 75.66 Million being the excess of the share capital issued by the Company over the share capital of the Transferor Company has been debited to Capital Reserves in accordance with the accounting treatment specified in the Scheme.

Further, 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 increased to 176.75 Million equity shares of ₹ 10 each, totalling to ₹ 1,767.50 Million

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Details of carrying value of assets and liabilities acquired and equity balances merged with the Company's equity are given below:

₹ In Million

Particulars	As at April 01, 2015
Non-current assets	6,997.93
Current assets	7,839.75
Total assets (A)	**14,837.68**
Non-current liabilities	1,971.84
Current liabilities	9,082.63
Other equity	3,662.96
Total equity and liabilities (B)	**14,717.43**
(A) – (B)	**120.25**
Add: Shares issued by Transferor Company after appointed date but prior to the effective date of merger	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 (D-C)	**75.66**

On re-measurement of the above balances under Ind AS on the appointed date of the Scheme (after considering the adjustment made as explained in the below paragraph, to align with the accounting policies of the Transferee Company), the resulting differences have been adjusted in the equity during the previous year ended March 31, 2016. There were no material differences on account of re-measurement in Ind AS.

The Transferor Company had adopted the provisions of para 46 / 46A of AS 11 "The Effects of Changes in Foreign Exchange Rates" under the previous GAAP. 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 on long term monetary items 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 tangible fixed assets (now called as property, plant and equipment) 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 Transferor Company became part of the Group:

- Aponia Laboratories Inc., USA
- 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

Further, the following investments of the Transferor Company became part of the Group:

- Clarion Wind Farm Private Limited, India
- Beta Wind Farm Private Limited, India
- SIPCOT Industrial Common Utilities Limited, India
- 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 the Transferor Company. The terms and conditions applicable to new options in the Company shall be no less favourable than those provided under the Transferor Company ESOP scheme. However, as at March 31, 2016, pending certain regulatory approvals, such options were not issued by the Company and hence 48,875 options were reserved for issue in respect of the above as at the March 31, 2016. In the current year ended March 31, 2017, 37,438 options were issued to the eligible option holders.

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

As the effect of merger was recorded on April 1, 2015 being the appointed date of the Scheme, the opening balance sheet as at the transition date (which also happens to be April 1, 2015) in these financial statements do not include the balances of Shasun and accordingly the figures of April 1, 2015 are not comparable with the other two balance sheet dates.

36.2 Business acquisitions

During 2016-17:

Entity / Business Acquired	Principal Activity	Date of Acquisition	Note Reference
Universal Corporation Limited	Manufacturing, development and trading in Pharmaceutics products	01-May-16	Refer Note A
Generic Partners Group	Supplying and distributing generic pharmaceutical products	11-Aug-16	Refer Note B
Smarterpharm Pty Limited	Providing buying solutions to the pharmacy owners through national pharmacy services	23-Jan-17	Refer Note C

Note A:
The Company's wholly owned subsidiary Strides Pharma (Cyprus) Limited, Cyprus completed the acquisition of 51% controlling stake in Universal Corporation Limited, Kenya. The acquired business has been integrated and consolidated with the Group with effect from May 1, 2016.

Note B:
The Company's wholly owned subsidiary Strides Pharma Global Pte Limited, Singapore completed the acquisition of 51% controlling stake in Generic Partners Holdings Co. Pty Limited, Australia and Generic Partners (International) Pte Limited, Singapore (the "Generic Partners"). The acquired business has been integrated and consolidated with the Group with effect from August 11, 2016.

Consequent to the above, the following entities have become the subsidiaries of the Group:-

- Generic Partners Holding Co. Pty Limited, Australia
- Generic Partners Pty Limited, Australia
- Generic Partners (International) Pte Limited, Singapore
- Generic Partners (Canada) Inc., Canada
- Generic Partners (M) SDN BHD, Malaysia
- Generic Partners (NZ) Limited, New Zealand
- Generic Partners (South Africa) Pty Limited, South Africa
- Generic Partners UK Limited, UK

Note C:
The Company's subsidiary Pharmacy Alliance Pty Limited, Australia completed the acquisition of Smarterpharm Pty Limited, Australia. The acquired business has been integrated and consolidated with the Group with effect from January 23, 2017.

As on the date of finalisation of these consolidated financial statements, the initial accounting for the above business combinations during the year ended March 31, 2017 has not been finalised but is provisionally determined based on the management's best estimate of the likely fair values. Any consequential changes due to finalisation of initial accounting will be recognised in the subsequent period upon such finalisation.

Consideration transferred:

₹ In Million

Particulars	Universal Corporation Limited	Generic Partners Group	Smarterpharm Pty Ltd
Cash	908.04	734.55	99.81
Total	**908.04**	**734.55**	**99.81**

Notes

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Assets acquired and liabilities recognised at the date of acquisition:

₹ In Million

Particulars	Universal Corporation Limited	Generic Partners Group	Smarterpharm Pty Ltd
Current assets	932.81	1,060.20	4.30
Non-current assets	1,013.96	980.15	2.12
Current liabilities	(585.72)	(970.61)	(1.98)
Non-current liabilities	(336.79)	(789.79)	-

Acquired Receivables (i.e., Trade receivable, loans given, finance lease receivable,etc)

₹ In Million

Particulars	Universal Corporation Limited	Generic Partners Group	Smarterpharm Pty Ltd
Fair value	457.38	188.63	1.79
Gross contractual amounts	457.38	188.63	1.79
best estimate at acquisition date of the contractual cash flows not expected to be collected	-	-	-

During 2015-16:

Entity / Business Acquired	Principal Activity	Date of Acquisition	Note Reference
Generic Pharmaceutical business of Aspen	Supplying and distributing generic pharmaceutical products	01-Sep-15	Refer Note D
Business of Medispan	Manufacturing and trading in pharmaceutical products	01-Dec-15	Refer Note E
'Solus' and 'Solus Care' division (from Sun Pharmaceuticals Industries Limited)	Manufacturing of speciality CNS formulations	01-Feb-16	Refer Note F
Pharmacy Alliance Group	Providing business solutions to the independent pharmacy members	29-Feb-16	Refer Note G

Note D:

The Company's wholly owned subsidiaries Strides Pharma Global Pte. Limited, Singapore (SPG) and Arrow Pharmaceuticals Pty Limited (Formerly Strides (Australia) Pharma Pty Limited), Australia (Strides Australia), completed the acquisition of generic pharmaceutical business in Australia and related assets from wholly owned subsidiaries of Aspen Pharmacare Holdings Limited (Aspen). The acquired business has been integrated and consolidated with the Group with effect from September 1, 2015.

Note E:

The Group acquired the branded business of Medispan Limited through Strides Biologix Private Limited, India (Strides Biologix), a subsidiary of the Group. Following the acquisition, the Company holds 51% equity interest in Strides Biologix and the balance is held by Medispan Limited. Subsequently, this business was disposed off in the year ended March 31, 2017. Refer Note 37.2.3 for details.

Note F:

Acquisition of 'Solus' and 'Solus Care' division (from Sun Pharmaceuticals Industries Limited): The Company acquired the 'Solus' and 'Solus Care' division operating in the central nervous system (CNS) segment in India from Sun Pharmaceuticals Industries Limited. The arrangement involved transfer of the above mentioned two marketing divisions, along with their employees to the Company.

Note G:

The Company's Wholly owned subsidiary Pharmacy Alliance Investments Pty Limited, Australia entered into a share purchase agereement with the shareholders of the Pharmacy Alliance Group Holdings Pty Ltd, Australia ("Pharmacy Alliance Group") to acquire the controlling stake (51%) in Pharmacy Alliance Group. The acquisition was completed on Febraury 29, 2016 and consequenty Pharmacy Alliance Group Holdings Pty Ltd and its subsidiaries namely, Pharmacy Alliance Pty Limited and Alliance Pharmacy Pty Limited, became part of the Group.

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Consideration transferred:

₹ In Million

Particulars	Pharmacy Alliance Group	'Solus' and 'Solus Care' division	Business of Medispan	Generic Pharmaceutical business of Aspen
Cash	710.26	1,650.00	52.22	16,372.86
Total	**710.26**	**1,650.00**	**52.22**	**16,372.86**

Contingent consideration:

With respect to acquisition of "Medispan Business" the milestone amount of ₹ 60 Million was payable on the basis of future revenue generation. However, as the company did not expect the same to be probable, it was not recognised. This business has been disposed off in the year ended March 31, 2017 as explained in note 37.2.3.

Acquisition-related costs have been excluded from the consideration transferred and have been recognised as an expense in the Statement of profit and loss, within the 'Exceptional expenses' line item. Refer note 33.

Assets acquired and liabilities recognised at the date of acquisition:

₹ In Million

Particulars	Pharmacy Alliance Group	'Solus' and 'Solus Care' division	Business of Medispan	Generic Pharmaceutical business of Aspen
Current assets	229.38	-	-	-
Non-current assets	207.01	900.10	102.40	9,872.72
Current liabilities	(179.39)	-	-	-
Non-current liabilities	(61.86)	-	-	-

Acquired Receivables (i.e., Trade receivable, loans given, finance lease receivable,etc)

₹ In Million

Particulars	Pharmacy Alliance Group	'Solus' and 'Solus Care' division	Business of Medispan	Generic Pharmaceutical business of Aspen
Fair value	100.25	-	-	-
Gross contractual amounts	100.25	-	-	-
best estimate at acquisition date of the contractual cash flows not expected to be collected	-	-	-	-

Non-controlling interests

The group has recognised non-controlling interests in an acquired entity at the non controlling interest's proportionate share of the acquired entity's net identifiable assets. Further, the Group has issued written put options to the non-controlling interests of certain subsidiaries to purchase their equity shares in accordance with the terms of underlying agreement with such shareholders. Should the option be exercised, the Group has to settle such liability by payment of cash. The amount that may become payable under the option on exercise is recognised as a financial liability at its present value with a corresponding charge directly to the shareholders' equity. Details of intial recognition of such gross obligation, non-controlling interests and goodwill arising on such acquisitions have been given in the below table:

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Claculation of Goodwill arising on acquisition:

Acquisitions during 2016-17:

₹ In Million

Particulars	Universal Corporation Limited	Generic Partners Group	Smarterpharm Pty Ltd
Consideration transferred	908.04	734.55	99.81
Add: non-controlling interests	547.65	262.95	-
Less: fair value of identifiable net assets acquired	(1,024.26)	(279.95)	(4.44)
Goodwill arising on acquisition	**431.43**	**717.55**	**95.37**
Initial recognition of gross obligation over written put options issued to the non-controlling interests	**944.87**	**1,933.34**	**-**

Acquisitions during 2015-16:

₹ In Million

Particulars	Pharmacy Alliance Group	'Solus' and 'Solus Care' division	Business of Medispan	Generic Pharmaceutical business of Aspen
Consideration transferred	710.26	1,650.00	52.22	16,372.86
Add: non-controlling interests	57.40	-	50.18	-
Less: fair value of identifiable net assets acquired	(195.14)	(900.10)	(102.40)	(9,872.72)
Goodwill arising on acquisition	**572.52**	**749.90**	**-**	**6,500.14**
Initial recognition of gross obligation over written put options issued to the non-controlling interests	1,121.10	-	176.85	-

Goodwill arose in the acquisition of the above said entities because the consideration paid for the combinations effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Net cash outflow on acquisition of subsidiaries / Business

₹ In Million

Particulars	Year ended	
	31-Mar-17	31-Mar-16
Consideration paid in cash	1,742.40	18,785.34
Less: cash and cash equivalent balances acquired	(839.73)	(152.63)
Net cash outflow on acquisition	**902.67**	**18,632.71**

Impact of acquisitions on the results of the Group:

Acquisitions during 2016-17:

Results from continuing operations for the year ended March 31, 2017 includes the following revenue and profit generated from the new acquisitions:

₹ In Million

Particulars	Universal Corporation Limited	Generic Partners Group	Smarterpharm Pty Ltd
Revenue	1,752.55	2,690.93	5.20
Profit for the year	285.29	783.97	3.63

The above excludes impact of unwinding of discount on gross obligation towards written put options given to non controlling interests.

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Had these business combinations been effected at April 1, 2016, the proforma revenue and the profit for the year from the respective businesses acquired would have been as below:

₹ In Million

Particulars	Universal Corporation Limited	Generic Partners Group	Smarterpharm Pty Ltd
Revenue	1,911.87	3,781.04	46.42
Profit for the year	311.23	997.21	13.93

The directors consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis.

Acquisitions during 2015-16:

Results for the year ended March 31, 2016 includes the following revenue and profit generated from the new acquisitions:

₹ In Million

Particulars	Pharmacy Alliance Group	'Solus' and 'Solus Care' division	Business of Medispan	Generic Pharmaceutical business of Aspen
Revenue	61.50	34.96	15.73	3,391.07
Profit for the year	12.64	(11.76)	(18.40)	371.21

The above excludes impact of unwinding of discount on gross obligation towards written put options given to non-controlling interest. Had these business combinations been effected at April 1, 2015, the proforma revenue and the profit for the year from the respective businesses acquired would have been as below:

₹ In Million

Particulars	Pharmacy Alliance Group	'Solus' and 'Solus Care' division	Business of Medispan	Generic Pharmaceutical business of Aspen
Revenue	737.98	209.76	47.19	5,813.26
Profit for the year	151.66	(70.55)	(55.20)	636.36

The directors consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis.

In determining the 'pro-forma' revenue and profit of the Group had new entity / business been acquired at the beginning of the current year, the directors have:

- calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements;
- calculated borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination; and
- excluded takeover defence costs of the acquiree as a one-off pre-acquisition transaction.

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Note No. 37 Discontinued operations:

The combined results of the discontinued operations of the businesses disposed-off as explained in Notes 37.1 and 37.2, are set out below. The comparative profit and cash flows from discontinued operations have been presented as if these operations were discontinued in the prior year as well.

₹ In Million

Particulars	Reference	Year ended 31-Mar-17	Year ended 31-Mar-16
Revenue		2,505.19	4,750.41
Other income		109.61	66.77
Total revenue from discontinued operations (I)		**2,614.80**	**4,817.18**
Depreciation and amortisation expense		115.43	207.29
Other expenses charged-off to the Statement of Profit and Loss		2,684.32	4,854.20
Total expenses from discontinued operations (II)		**2,799.75**	**5,061.49**
Loss from discountinued operation (III = I - II)		**(184.95)**	**(244.31)**
Gain / (loss) on disposal of:			
- investments in entities manufacturing specialty products	37.1	2,204.12	102.67
- investments in investments in Shasun Pharma Solutions Limited	37.2.1	111.57	-
- biotech business pursuant to loss of control	37.2.2	1,107.78	-
- investment in Strides Biologix Private Limited	37.2.3	38.67	-
- pharma generics business in Africa	37.2.4	(1,118.11)	-
- NRT business in USA	37.2.5	(158.62)	-
Net gain / (loss) on disposal of businesses (IV)		**2,185.41**	**102.67**
Gain / (loss) from discontinued operations before tax (V = III+ IV)		**2,000.46**	**(141.64)**
Attributable income tax expense (VI)		41.92	89.85
Net gain / (loss) from discontinued operations after tax (V-VI)		**1,958.54**	**(231.49)**

Cash flows from discontinued operations

₹ In Million

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Net cash inflows/(outflows) from operating activities	(125.30)	885.62
Net cash inflows/(outflows) from investing activities*	(1,206.41)	(2,406.94)
Net cash inflows/(outflows) from financing activities	2,279.19	1,508.28
Net cash inflows/(outflows)	**947.48**	**(13.04)**

* including gain / (loss) on disposal of assets and liabilities of the discontinued operations

37.1 Sale of investments in entities manufacturing specialty products

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

The sale of shares of ASPL was recorded by the Company in terms of the Sale and Purchase Agreement dated December 4, 2013 (the "India SPA"). The sale of shares of Agila Global was recorded by Strides Singapore in terms of another Sale and Purchase Agreement dated December 4, 2013 (the "Global SPA").

The Company has provided a corporate guarantee to Mylan Inc. for USD 200 Million (valid up to December 4, 2020) on behalf of Strides Singapore which can be used for discharging specified financial obligations, if any, of Strides Singapore to Mylan, which has been included under contingent liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015 in Note 40.

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37.1.1 Income recognised under discontinued operations:

In accordance with the terms of the India SPA and the Global SPA (together the "SPA"s) and other transaction documents, certain amounts were set aside under separate deposit / escrow accounts which were required to be utilised for specified expenses during the specified period. These included separate escrow / deposit of USD 100 Million in respect of potential claims in relation to certain regulatory concerns ("Regulatory escrow") and USD 100 Million in respect of potential claims in relation to the warranties and indemnities, including in relation to tax ("General claims escrow"). Further, ₹ 850 Million was set aside in separate Escrow for payment to certain specified senior management personnel of ASPL and its subsidiary.

Any unutilised amounts from the deposit / escrow accounts after the specified period were payable to the respective entities of the Group. Given the uncertainties involved and in the absence of a right to receive, the amounts under the deposit / escrow arrangements were not included in the consideration accounted as income by the Group at the time of disposal of the investments. Receipts from these deposit / escrow accounts were recognised subsequently (net of related expenses incurred) in the period in which such amounts were received by the Group.

During the year ended March 31, 2017, the Group has received ₹ 1,897.62 Million (USD 28.33 Million) on account of full and final settlement of claims against the Regulatory escrow. This has been recognised as gain under discontinued operations after adjusting related expenses of ₹ 229.28 Million and write back of certain payables amounting to ₹ 535.77 Million.

During the year ended March 31, 2016, the Company received ₹ 129.50 Million on account of full and final settlement of escrow amount set aside under the India SPA for payment to senior management personnel of ASPL and its affiliates. This has been recognised as gain under discontinued operations during the year ended March 31, 2016 after adjusting related expenses of ₹ 26.83 Million. The Group had considered hive off the Specialties business as discontinued operations. Accordingly, the income referred above has been recognised under discontinued operations as under:

₹ In Million

Particulars	Year ended	
	31-Mar-17	31-Mar-16
Gain on settlement of contingencies attributable to the discontinued operations (net)	2,204.12	102.67
Profit before tax from discontinued operations	**2,204.12**	**102.67**

Cash flows from discontinued operations

₹ In Million

Particulars	Year ended	
	31-Mar-17	31-Mar-16
Net cash inflows/(outflows) from operating activities	-	-
Net cash inflows/(outflows) from investing activities	1,731.08	95.95
Net cash inflows/(outflows) from financing activities	-	-
Net cash inflows/(outflows)	**1,731.08**	**95.95**

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37.1.2 Assessment of notification of claims against the Group under the terms of SPAs:

During the current and earlier years, the Group received notifications of claims from Mylan under the terms of the SPAs. These include claims against the regulatory escrows, tax claims, warranty and indemnity claims, and third party claims. Under the terms of the SPAs, claims against the Company / Strides Singapore can only be made under specific provisions contained in the SPAs which include the procedures and timelines for submission of notifications of claims and actual claims and commencing arbitration proceedings.

In the current year, all claims towards regulatory expenses have been settled and the Group received USD 28.33 Million as full and final settlement from out of the Regulatory Escrow deposit. The Company and Mylan also agreed on full and final settlement of warranty and indemnity claims which were adjusted against the General Claims Escrow. The balance available in the General Claims Escrow as at March 31, 2017 in respect of all claims is USD 62 Million.

As at March 31, 2017, the outstanding claims relate to certain tax claims and third party claims. Considering the nature of the pending claims, the terms of the SPAs and the balance available in General Claims escrow, the management believes that any further outflow of resources is not probable.

37.2 Disposal of investment in other entities:

37.2.1 Sale of investments in Shasun Pharma Solutions Limited ('SPSL'):

The Board of Directors of the Company and the Members of Company in their meeting held on May 16, 2016 and June 28, 2016, respectively, approved the divestment of investment in Shasun Pharma Solutions Limited (SPSL), UK, a wholly owned step-down subsidiary of the Company subject to the approval of applicable laws, consents, permission and sanctions as may be necessary. SPSL was in the business of Contract Research and Manufacturing. The disposal was completed on September 30, 2016, on which date control passed to the acquirer. Details of the assets and liabilities disposed off and the calculation of the profit or loss on disposal are explained below:

(a) Consideration received

₹ In Million

Particulars	31-Mar-17
Consideration received in cash and cash equivalents	563.76
Deferred sales proceeds	-
Total consideration	**563.76**

(b) Carrying value of asset and liabilities as on the date of disposal

₹ In Million

Particulars	As at 30-Sep-2016
Current assets	1,499.32
Non-current assets	1,291.38
Current liabilities	(1,074.75)
Non-current liabilities	(1,270.07)
Net assets disposed off	**445.88**

(c) Gain on disposal of subsidiary

₹ In Million

Particulars	Year ended 31-Mar-17
Consideration received	563.76
Net assets disposed off	(445.88)
Cumulative exchange gain in respect of the net assets of the subsidiary reclassified from equity to the Statement of profit and loss on loss of control of subsidiary	(6.31)
Gain on disposal	**111.57**

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(d) Net cash inflow on disposal of subsidiary

₹ In Million

Particulars	31-Mar-17
Consideration received in cash and cash equivalents	563.76
Less: cash and cash equivalent balances disposed off	(14.13)
Net Cash inflow	**549.63**

37.2.2 Disposal of Biotech business (Loss of control):

The Board of Directors and shareholders of the Company in their meeting held on February 3, 2017 and March 22, 2017 respectively, approved to restrict the Company's investment in Stelis Biopharma Private Limited ("Stelis", a company which is into development of Biosimilars) at USD 22.10 Million. and allowed further investments in Stelis by the current Promoter Group of the Company which would result in dilution of the Company's stake in Stelis from 74.90% to a significant minority holding over a period of time. Accordingly, the Company also entered into the amended shareholders' agreement on March 31, 2017, as per which the investments by Strides would be capped at its current investment level and the other parties to the agreement - Tenshi Life Sciences Private Limited (Tenshi), a Promoter Group Company and GMS Pharma (Singapore) Pte. Ltd (GMS) would invest additional funds in Stelis over a period of time. Pursuant to the amended terms of the shareholders' agreement, the Group's representation in the Board of Directors of Stelis reduced from 3 directors out of total 5 directors to 1 director out of the total strength of 6 directors.

Considering that the Board of Directors of Stelis has rights and power to set the relevant activities of Stelis and appoint the managerial personnel to execute those activitie and also the fact that the resolution in the meeting of Board of Directors can be passed by a simple majority of the directors and the requirement of minimum of 1 director each from Tenshi and GMS for the purpose of quorum in the meeting of Board of Directors of Stelis, in the assessment of the Group management, Strides has lost control over Stelis with effect from March 31, 2017 as the Group would no longer be able to control the relevant activities decided by the Board of Directors of Stelis, even though Strides continued holding 74.90% stake in Stelis. However, considering the Group's representation in the Board of Directors of Stelis to participate in the decision making process and its majority voting rights as shareholders, Strides exercises significant influence over Stelis. As a result, Stelis ceased to be the subsidiary of the Company with effect from March 31, 2017 and became an associate of the Company. In accordance with the accounting policy of the Group in line with the requirements of Ind AS 110 'Consolidated Financial Statements', the resulting gain of ₹ 1,107.78 Million, being the excess of fair value of the retained interest over the carrying value of net assets in Stelis on loss of control over Stelis, has been accounted under discontinued operations.

(a) Fair value of Investment on the date of loss of control

Particulars	31-Mar-17
Shares held in Stelis (Nos.)	251,527
Fair value per share (₹)	8,147.91
Fair value of retained investment (₹ in Million)	**2,049.42**

(b) Carrying value of assets (other than goodwill) and liabilities derecognised pursuant to loss of control

₹ In Million

Particulars	As at 31-Mar-17
Non-current assets	3,465.67
Current assets	978.00
Non-current liabilities	(3,305.94)
Current liabilities	(337.88)
Net assets disposed off	**799.85**

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(c) Gain on loss of control

₹ In Million

Particulars	Year ended 31-Mar-17
Fair value of investment on the date of loss of control	2,049.42
Net assets disposed off	(799.85)
Goodwill on consolidation	(342.55)
Non-controlling interests	200.76
Gain on loss of control	**1,107.78**

(d) Net cash outflow on disposal

₹ In Million

Particulars	Year ended 31-Mar-17
Consideration received in cash and cash equivalents	-
Less: cash and cash equivalent balances disposed off	(586.15)
Net Cash outflow	**(586.15)**

37.2.3 Sale of investment in Strides Biologix Private Limited:

The Company disposed-off Probiotics business and its investments in Strides Biologix Private Limited, India to Higher Pharma Tech Private Limited, India, on March 31, 2017. Details of the assets and liabilities disposed off and the calculation of the profit or loss on disposal are explained below:

(a) Consideration received

₹ In Million

Particulars	31-Mar-17
Consideration received in cash and cash equivalents	57.50
Deferred sales proceeds	-
Total consideration	**57.50**

(b) Carrying value of asset and liabilities as on the date of disposal

₹ In Million

Particulars	As at 31-Mar-17
Current assets	17.71
Non-current assets	92.51
Current liabilities	(44.11)
Non-current liabilities	(5.90)
Net assets disposed off	**60.21**

(c) Gain on disposal

₹ In Million

Particulars	Year ended 31-Mar-17
Consideration received	57.50
Net assets disposed off	(60.21)
Non-controlling interests	41.38
Gain on disposal	**38.67**

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The Group also carried liability towards gross obligation on put option given to non-controlling interests in the above entity. As at the date of disposal, the difference between carrying value of gross obligation towards unexercised put option of Rs 203.19 Million and payment of Rs 24.00 Million towards disposal of put option, amounting to Rs 179.19 Million has been recognised in equity.

(d) Net cash inflow on disposal

₹ In Million

Particulars	Year ended 31-Mar-17
Consideration received in cash and cash equivalents	57.50
Less: cash and cash equivalent balances disposed of	(0.72)
Net Cash inflow	**56.78**

37.2.4 Sale of Pharma generics business in Africa:

Pursuant to the terms of Shareholders agreement entered on March 30, 2017, the Group disposed-off its Pharma Generics business in Africa. Consequently, the following subsidiaries / Joint ventures / divisions ceased to be part of Strides Group:

(i) African Pharmaceutical Development Company

(ii) Congo Pharma SPRL

(iii) Sorepharm SA

(iv) Strides Pharma Botswana (Pty) Limited

(v) Strides Pharma Cameroon Limited

(vi) Strides Pharma Mozambique, SA

(vii) Strides Pharma Namibia Pty Limited

(viii) Strides Vital Nigeria Limited

(ix) SPC Co. Limited

(x) Pharma Generics Manufacturing division of the Company in Palghar, Maharashtra.

The disposal was completed on March 31, 2017, on which date control passed to the acquirer.

Details of the assets and liabilities disposed off, and the calculation of the profit or loss on disposal, are as below:

(a) Consideration towards disposal of above businesses

₹ In Million

Particulars	31-Mar-17
Consideration received in cash and cash equivalents	165.49
Deferred sales proceeds	739.12
Total consideration	**904.61**

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(b) Carrying value of assets (other than goodwill) and liabilities derecognised pursuant to disposal

₹ In Million

Particulars	As at 31-Mar-17
Current assets	1,175.16
Non-current assets	1,137.26
Current liabilities	(1,109.73)
Non-current liabilities	(1,574.73)
Net liabilities disposed off	**(372.04)**

(c) Loss on disposal

₹ In Million

Particulars	For the year ended 31-Mar-17
Consideration received	904.61
Net liabilities disposed off	372.04
Goodwill	(199.46)
Non-controlling interests	17.46
Write down / provision towards balances recoverable from disposed entities	(1,914.07)
Cumulative loss on debt instruments at FVTOCI reclassified from equity on loss of control of subsidiary	(565.93)
Cumulative exchange gain in respect of the net assets of the subsidiary reclassified from equity to the statement of profit and loss on disposal of subsidiary	267.24
Loss on disposal	**(1,118.11)**

(d) Net cash inflow on disposal

₹ In Million

Particulars	For the year ended 31-Mar-17
Consideration received in cash and cash equivalents	165.49
Less: cash and cash equivalent balances disposed off	(54.47)
Net Cash inflow	**111.02**

37.2.5 NRT business:

The Group had incurred certain capital expenditure to set-up NRT business in USA. However, pursuant to unfavorable business enviornment, this business is discontinued and resulting loss of ₹ 158.62 Million is charged-off under discontinued operations.

37.2.6 Sale of investments in Ascent Pharmahealth Limited ('APH'):

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

In connection with the sale of investments in APH, the Company had given a guarantee to Watson in respect of certain matters to the extent of AUD 352.61 Million. Pursuant to release of guarantees to the extent of AUD 88.15 Million, the outstanding guarantee as at March 31, 2017 stands reduced to AUD 264.46 Million.

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 as at April 1, 2015, March 31, 2016 and March 31, 2017. The above guarantee has been included in Note 40 as contingent liabilities

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Note No. 38

During the year ended March 31, 2016, the Company had 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 completed the allotment of equity shares on December 23, 2015 and expenses incurred in relation to QIP to the extent of ₹ 326.66 Million were debited to Securities Premium Account.

Note No. 39 Commitments

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Estimated amount of contracts remaining to be executed on capital account (Tangible & Intangible assets) and not provided for (net of advances)	1,045.86	1,656.66	307.87

Note No. 40 Contingent liabilities

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
a) Claims against the Group not acknowledged as debt			
- Disputed tax liabilities arising from assessment proceedings relating to earlier years from the income tax authorities. The outflow, if any, on account of disputed taxes is dependent on completion of assessments / disposal of appeals and adjustment for payments made under protest.	1,368.18	1,394.17	1,301.32
- Disputed excise, custom, service tax and sales tax liabilities arising from assessment proceedings relating to prior years. The outflow, if any, on account of disputed liabilities is dependent on completion of assessments / disposal of appeals and adjustment for payments made under protest.	577.86	129.04	5.65
b) Corporate Guarantees	29,855.50	31,122.34	29,206.68

Note No. 41 Proposed dividend

In respect of the current year, the directors propose that a dividend of ₹ 4.50 per share be paid on equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting (AGM) and has not been included as a liability in these consolidated financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on the date of AGM. The total estimated equity dividend to be paid is ₹ 402.40 Million. The payment of this dividend is estimated to result in payment of dividend tax @ 20.36% on the amount of dividends grossed up for the related dividend distribution tax.

Note No. 42 Segment information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and assessing performance. The Group's CODM is the Managing Director.

The Group has identified “Pharmaceutical" & "Biotech" businesses as reportable segments.

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. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

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Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

₹ In Million

Particulars	For the year ended 31-Mar-17			For the year ended 31-Mar-16		
	Business segments		Total	Business segments		Total
	Pharma-ceutical	Biotech		Pharma-ceutical	Biotech	
Revenue	36,748.35	-	36,748.35	32,141.49	-	32,141.49
Segment result	5,240.08	(255.59)	4,984.49	3,421.06	(331.96)	3,089.10
Unallocable expenses (net)						
Finance costs			(2,351.15)			(1,805.43)
Items considered under exceptional items:						
Profit on disposal of discontinued business			2,185.41			102.67
Exchange (loss)/gain on long-term foreign currency loans, intra-group loans			(250.09)			55.54
Business combination and restructuring expenses			(234.25)			(221.23)
Impact of aligning accounting policies on merger of Shasun			-			(168.16)
Unwinding of discount on gross obligations over written put options to NCI			(118.81)			(32.02)
Fair valuation of derivative instruments			(63.23)			-
Share of profit / (loss) of joint ventures and associates			**3.64**			**(46.84)**
Interest income and Income from current investment designated at FVTPL			**815.38**			**490.73**
Profit before taxes			**4,971.39**			**1,464.36**
Tax expense			511.92			514.39
Profit for the year (before allocation to non controlling interest)			**4,459.47**			**949.97**
Other information						
Depreciation and amortisation (allocable)	1,946.40	40.54	1,986.94	1,477.93	41.90	1,519.83
Other significant non-cash expenses (allocable):						
- Provision for doubtful trade and other receivables	6.04	-	6.04	447.28	-	447.28
- Expenses on Employee Stock Option Plans	54.71	-	54.71	44.82	-	44.82
- Write down of inventories and other assets	854.65	115.71	970.36	65.31	91.94	157.25
Other significant non-cash expenses (unallocable):						
- Unwinding of discount on gross obligations over written put options to NCI			118.81			32.02
- Fair valuation of derivative instruments			63.23			-
- Impact of aligning accounting policies on merger of Shasun			-			168.16

Segment assets and liabilities as at March 31, 2017

₹ In Million

Particulars	Pharmaceutical	Biotech	Total
Segment assets	61,975.23	2,049.42	64,024.65
Unallocable assets			17,143.05
Total assets			**81,167.70**
Segment liabilities	9,466.90	-	9,466.90
Unallocable liabilities			42,956.45
Total liabilities			**52,423.35**

As explained in note no 37.2.2, pursuant to loss of control in Stelis Biopharma Private Limited, India during the year ended

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March 31, 2017, the segment assets allocated to Biotech business as at March 31, 2017 represents the carrying value of the investments in associate.

Segment assets and liabilities as at March 31, 2016

₹ In Million

Particulars	Pharmaceutical	Biotech	Total
Segment assets	56,124.73	2,953.26	59,077.99
Unallocable assets			15,481.14
Total assets			**74,559.13**
Segment liabilities	8,630.78	182.97	8,813.75
Unallocable liabilities			38,664.59
Total liabilities			**47,478.34**

Segment assets and liabilities as at April 01, 2015

₹ In Million

Particulars	Pharmaceutical	Biotech	Total
Segment assets	15,173.14	1,615.24	16,788.38
Unallocable assets			8,016.87
Total assets			**24,805.25**
Segment liabilities	2,883.19	45.30	2,928.49
Unallocable liabilities			10,179.77
Total liabilities			**13,108.26**

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.

Information regarding geographical revenue is as follows:

₹ In Million

Geography	For the year ended	
	31-Mar-17	31-Mar-16
Africa	5,107.49	3,732.53
Australasia	11,251.16	5,385.94
North America & Europe	15,397.08	16,556.44
South & Central America	59.72	181.05
India	4,920.03	6,175.43
Rest of the world	12.87	110.10
Total	**36,748.35**	**32,141.49**

Information regarding geographical assets is as follows:

₹ In Million

Geography	As at		
	31-Mar-17	31-Mar-16	01-Apr-15
Africa	4,518.87	3,592.42	1,544.15
Australasia	24,300.16	20,982.78	1,249.67
North America & Europe	6,830.48	9,500.17	3,241.46
South & Central America	89.41	54.18	40.18
India	28,284.83	24,849.05	10,712.92
Others	0.90	99.39	-
Total	**64,024.65**	**59,077.99**	**16,788.38**

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Note No. 43

Intra-group loans amounting to USD 34.45 Million (previous year Nil) given by Strides Pharma Global Pte Limited, Singapore to its subsidiary Arrow Pharmaceuticals Pty Limited, Australia, are recognised as net investment in non-integral foreign operations in accordance with Ind AS 21 'The Effect of Changes in Foreign Exchange Rates', and exchange fluctuation loss of ₹ 56.01 Million for the year ended March 31, 2017 arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income.

Further, Intra-group loans amounting to USD 7.80 Million (previous year USD 7.80 Million) given by Strides Pharma (Cyprus) Limited, Cyprus to its subsidiary Strides Vital Nigeria Limited, Nigeria, are recognised as net investment in non-integral foreign operations in accordance with Ind AS 21 'The Effect of Changes in Foreign Exchange Rates', and exchange fluctuation loss of ₹ 475.69 Million (previous year ₹ 1.75 Million) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income. Pursuant to the disposal of Strides Vital Nigeria Limited, Nigeria (as explained in note 37.2.4), the accumulated exchange differences of ₹ 565.93 Million has been reclassified to the Statement of profit and loss under discontinued operations.

Note No. 44 Share-based payments

Details of the employee share option plan of the Company:

(a) The ESOP titled "Strides Arcolab ESOP 2011" (ESOP 2011) was approved by the shareholders on May 30, 2011 for 1,500,000 options. Each option comprises one underlying equity share of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of 30 days from the date of vesting. No options were granted under this plan during the current year.

(b) The ESOP titled "Strides Arcolab ESOP 2015" (ESOP 2015) was approved by the shareholders on November 6, 2015 for 70,000 options. Each option comprises one underlying equity share of the Company. The vesting period of these options range over a period of four years. The options must be exercised within a period of 180 days from the date of vesting. Out of these options, 48,875 options were reserved for issue as at March 31, 2016 to employees of erstwhile Shasun Pharmaceuticals Limited pursuant to the Scheme of Amalgamation, as explained in Note 36.1. During the year ended March 31, 2017, the Company issued 37,438 options to the eligible option holders.

(c) The ESOP titled "Strides Shasun ESOP 2016" (ESOP 2016) was approved by the shareholders on April 21, 2016. 3,000,000 options are covered under the Plan which are convertible into equal number of equity shares of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of one year from the date of vesting. Company has granted 100,000 options under the scheme during the current year.

(d) During the current year, Employee compensation costs of ₹ 54.71 Million (for the year ended March 31, 2016: ₹ 44.83 Million) relating to the above referred various Employee Stock Option Plans have been charged to the Statement of Profit and Loss.

Fair value of share options granted in the year

The fair value of the share options granted under ESOP 2015 and ESOP 2016 are ₹ 1,058.38 and ₹ 611.33 respectively. Options were priced using a Black-Scholes method of valuation as at grant date. Expected volatility is based on the historical share price volatility over the past 3 years.

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Inputs into the model -

Particulars	ESOP 2015	ESOP 2016
Grant date share price	₹ 1,305.43	₹ 1,128.94
Exercise price	₹ 273.92	₹ 841.25
Expected volatility	70.39%	69.47%
Option life	4 years	3 years
Expected Dividend %	40.00%	40.00%
Risk-free interest rate	7.59%	7.52%

Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2016-17		During the year 2015-16	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:				
- ESOP 2011	265,000	499.77	350,000	456.67
- ESOP 2015	-	-	-	-
- ESOP 2016	-	-	-	-
Granted during the year:				
- ESOP 2011	-	-	-	-
- ESOP 2015	37,438	273.92	-	-
- ESOP 2016	100,000	841.25	-	-
Exercised during the year:				
- ESOP 2011	70,000	456.67	85,000	322.30
- ESOP 2015	7,028	273.92	-	-
- ESOP 2016	-	-	-	-
Lapsed during the year:				
- ESOP 2011	25,000	322.30	-	-
- ESOP 2015	7,313	273.92	-	-
- ESOP 2016	-	-	-	-
Options outstanding at the end of the year:				
- ESOP 2011	170,000	543.62	265,000	499.77
- ESOP 2015	23,097	273.92	-	-
- ESOP 2016	100,000	841.25	-	-
Options available for grant:				
- ESOP 2011	-		-	
- ESOP 2015	32,562		70,000	
- ESOP 2016	2,900,000		-	

Note No. 45 Employee Benefits Plans

Employee benefits pertaining to overseas subsidiaries have been accrued based on their respective local labour laws.

Defined contribution plan

The Group makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the group is required to contribute a specified percentage of the payroll cost to fund the benefits. The group recognised ₹ 181.32 Million (previous year: ₹ 123.32 Million) for provident fund contributions, ₹ 8.61 Million (previous year: ₹ 5.41 Million) for employee state insurance scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plan

The Company and its Indian subsidiaries offers gratuity benefits, a defined employee benefit scheme to its employees.

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Composition of the plan assets

The fund is managed by LIC , the fund manager. The details of composition of plan assets managed by the fund manager is not available with the Company. However, the said funds are subject to Market risk (such as interest risk, investment risk, etc.).

The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at		
	31-Mar-17	31-Mar-16	01-Apr-15
Discount rate(s)	6.75%-8%	7.64% - 8%	7.80%
Expected rate(s) of salary increase	9% - 10%	5% - 9% until Year 2 inclusive, there after - 9% - 10%	10.00%
Mortality Rate	As per IALM (2006-08) ultimate		
Retirement age (years)	58	58	58

Amounts recognised in consolidated statement of profit and loss in respect of these defined benefit plans are as follows:

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Service cost:		
Current service cost	41.80	41.96
Net interest expense	10.20	8.17
Components of defined benefit costs recognised in statement of profit and loss	**52.00**	**50.13**
Remeasurement on the net defined benefit liability:		
Remeasurement return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	(3.26)	(1.71)
Actuarial (gains) / losses arising from changes in demographic assumptions	(3.17)	(0.54)
Actuarial (gains) / losses arising from changes in financial assumptions	26.12	182.29
Actuarial (gains) / losses arising from experience adjustments	125.54	(175.14)
Components of defined benefit costs recognised in other comprehensive income	**145.23**	**4.90**
Total	197.23	55.03

The current service cost and the net interest expense for the year are included in the 'Employee benefit expense' line item in the consolidated statement of profit and loss. The remeasurernent of the net defined benefit liability is included in other comprehensive income.

The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Present value of funded defined benefit obligation	560.53	371.54	307.33
Fair value of plan assets	(314.55)	(240.01)	(74.14)
Funded status	**245.98**	**131.53**	**233.19**
Restrictions on asset recognised	-	-	-
Net liability arising from defined benefit obligation	**245.98**	**131.53**	**233.19**

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Movements in the present value of the defined benefit obligation are as follows:

₹ In Million

Particulars	Year ended	
	31-Mar-17	31-Mar-16
Opening defined benefit obligation	371.54	307.33
Add/(Less): on account of acquisitions /Business transfers	(11.45)	5.83
Current service cost	41.80	41.96
Interest cost	28.93	22.85
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	(3.17)	(0.54)
Actuarial gains and losses arising from changes in financial assumptions	26.12	182.29
Actuarial gains and losses arising from experience adjustments	125.54	(175.14)
Benefits paid	(24.42)	(14.94)
Others	5.64	1.90
Closing defined benefit obligation	**560.53**	**371.54**

Movements in the fair value of the plan assets are as follows:

₹ In Million

Particulars	Year ended	
	31-Mar-17	31-Mar-16
Opening fair value of plan assets	240.01	74.14
Pursuant to Merger of Shasun Pharmaceuticals Limited		101.64
Interest income	18.73	14.68
Remeasurement gain/(loss):		
Remeasurement return on plan assets (excluding amounts included in net interest expense)	3.26	1.72
Contributions from the employer	76.30	62.44
Benefits paid	(23.75)	(14.61)
Closing fair value of plan assets	**314.55**	**240.01**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases/(decrease) by 1%, the defined benefit obligation would be ₹ 528.94 Million (₹ 581.85 Million) as at March 31, 2017

If the expected salary growth increases /(decrease) by 1%, the defined benefit obligation would be ₹ 576.72 Million (₹ 531.73 Million) as at March 31, 2017

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Group to manage its risks from prior periods.

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Expected future Cash outflows towards the plan are as follows-

₹ In Million

Financial Year	Amount
2017-18	91.82
2018-19	75.82
2019-20	66.09
2020-21	64.47
2021-22	60.26
2022-23 to 2027- 28	236.13

Note No. 46 Operating lease arrangements

A. The Group as lessee:

Leasing arrangement

The group's significant leasing arrangements are mainly in respect of factory land and buildings, residential and office premises. The aggregate lease rentals payable on these leasing arrangements charged to the Statement of Profit and Loss (including charge on lease rentals related to discontinued operations) is ₹ 251.44 Million (Previous year ₹ 179.21 Million)

The group has entered into lease agreements for its factory and office premises. The tenure of such lease is 5 years to 25 years with non-cancellable period ranging from 18 months to 16 years. The said lease arrangements have an escalation clause wherein lease rental is subject to increments as specified in the lease agreements. Details of the lease commitment at the year end are as follows:

Non-cancellable operating lease commitments

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Not later than 1 year	197.61	273.96	23.44
Later than 1 year and not later than 5 years	614.16	772.73	15.11
Later than 5 years	927.52	951.99	-
Total	**1,739.29**	**1,998.68**	**38.55**

B. The Group as lessor:

Leasing arrangement

The Group has entered into operating lease arrangement for lease of factory land & 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:

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Gross carrying amount of assets leased	776.41	776.41	776.41
Accumulated depreciation	77.68	38.85	-
Future minimum lease income:			
Not later than one year	56.08	54.44	49.91
Later than one year but not later than 5 years	200.49	245.33	231.44
Later than 5 years	-	11.24	78.03
Total	**256.57**	**311.01**	**359.38**

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Note No. 47 Obligations under finance leases

Leasing arrangement

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

Finance lease liabilities

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Future minimum lease payments:			
Not later than one year	30.12	33.24	-
Later than one year but not later than 5 years	55.29	94.14	-
Later than 5 years	-	12.18	-
Total	**85.41**	**139.56**	**-**
Less: Unmatured finance charges	(12.45)	(20.10)	
Present value of minimum lease payments payable	**72.96**	**119.46**	**-**
Up to one year	23.40	23.72	-
From one year to five years	49.56	82.25	-
Above five years	-	13.49	-

Details of assets taken on finance lease:

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Gross block:			
Plant and equipment	12.84	53.38	-
Office equipment	87.99	87.99	-
Vehicles	13.97	-	-
Total Gross Block	**114.80**	**141.37**	**-**
Net Block:			
Plant and equipment	11.05	51.76	-
Office equipment	57.16	74.77	-
Vehicles	9.60	-	-
Total Net Block	**77.81**	**126.53**	**-**

Note No. 48 Earnings per share

₹

Particulars	For the year ended	
	31-Mar-17	31-Mar-16
Basic earnings per share:		
From continuing operations	22.82	15.94
From discontinued operations	21.91	(2.80)
Total basic earnings per share	**44.73**	**13.14**
Diluted earnings per share:		
From continuing operations	22.77	15.85
From discontinued operations	21.87	(2.79)
Total diluted earnings per share	**44.64**	**13.06**

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Earnings used in computing basic and diluted earnings per share

₹ In Million

Particulars	For the year ended 31-Mar-17	31-Mar-16
Profit/(loss) attributable to the equity holders of the Company		
From continuing operations	2,038.96	1,316.73
From discontinued operations	1,958.54	(231.49)
Total operations	**3,997.50**	**1,085.24**

Weighted average number of shares used as the denominator

Particulars	For the year ended 31-Mar-17	31-Mar-16
Weighted average number of equity shares used as denominator in calculating basic earnings per share	89,368,039	82,586,575
Adjustments for calculation of diluted earnings per share:		
- employee stock options	179,220	234,663
- Share warrants	-	273,895
Weighted average number of equity shares used as denominator in calculating diluted earnings per share	**89,547,259**	**83,095,133**

Note No. 49 Related party transactions: List of the related parties

Relationship	Name
Joint Ventures (JV)	Akorn Strides LLC, USA (50%)
	Shasun NBI LLC, USA (50%)
	SPC Co. Limited, Sudan (51%) (upto March 31, 2017)
	Strides Shasun Latina Sa De Cv, Mexico (80%) (with effect from August 23, 2016)
	Oraderm Pharmaceuticals Pty Limited, Australia (50%) (with effect from June 6, 2016)
Associates	Aponia Laboratories Inc, USA
	Regional Bio Equivalence Centre S.C., Ethiopia (with effect from May 1, 2016)
	Stelis Biopharma Private Limited (with effect from March 31, 2017)
Key Management Personnel (KMP)	Arun Kumar, Chairman (with effect from May 18,2017) (Executive Vice Chairman and Managing Director, upto May 18, 2017)
	Abhaya Kumar, Executive Director (Resigned on May 18, 2017)
	Shashank Sinha, Managing Director (Appointed on May 18, 2017) (Group Chief Executive Officer (with effect from October 28, 2016 and upto May18,2017)
	Badree Komandur, Executive Director (Appointed on May 18, 2017) (Group Chief Financial Officer upto May 18, 2017 & Company Secretary upto February 3, 2017)
	Manjula Ramamurthy, Company Secretary (with effect from February 3, 2017)
	Deepak Vaidya, Non-Executive Director (with effect from May 18, 2017) (Chairman upto May 18, 2017)
	A.K.Nair, Non-Executive Director (Resigned on May 18, 2017)
	Bharat Shah, Non-Executive Director
	Homi R Khusrokhan, Non-Executive Director (Appointed on May 18, 2017)
	M.R.Umarji, Non-Executive Director (Resigned on May 18, 2017)
	P.M.Thampi, Non-Executive Director (Resigned on May 18, 2017)
	S.Sridhar, Non-Executive Director
	Sangita Reddy, Non-Executive Director
Relatives of KMP	Aditya Arun Kumar, son of Arun Kumar
Enterprises owned or significantly influenced by key management personnel and relative of key management personnel	Atma Projects, India
	Chayadeep Properties Private Limited, India
	Devendra Estates LLP, India
	LifeCell International Private Limited, India
	Nutra Specialities Private Limited, India
	Tenshi Kaizen Private Limited (formerly, Higher Pharmatech Private Limited)
	Strides Biologix Private Limited, India (with effect from March 31, 2017)
	Sequent Scientific Limited, India
	Sequent Research Limited, India
	Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited) (with effect from September 30, 2016)
	Shasun Leasing and Finance Limited, India

Notes

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Related party balances

₹ In Million

		Associates			KMP / Relatives of KMP			Enterprises owned or significantly influenced by KMP or their relatives		
		As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Other Financial Assets (Liabilities) and Other Assets (Liabilities):										
1	Stelis Biopharma Private Limited*	27.85	-	-						
2	Strides Biologix Private Limited							3.42	-	-
3	Mr. Badree Komandur				0.05	(10.13)	-			
4	Mr. Arun Kumar				-	(12.50)	(16.75)			
5	Mr. S Abhaya Kumar				-	(4.93)	-			
Loans receivable as at:										
1	Strides Biologix Private Limited							5.65	-	-
Balance of deposits paid										
1	Atma Projects							50.13	50.13	6.29
2	Chayadeep Properties Private Limited							7.35	7.35	-
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							(0.61)	(0.58)	(0.53)
3	Devendra Estate Private Limited							-	(0.21)	-
4	Nutra Specialities Private Limited							(0.60)	(1.73)	-
5	Sequent Scientific Limited							(84.51)	(127.03)	(87.77)
6	Sterling Pharma Solutions Limited (formerly, Shasun Pharma Solutions Limited)							(6.85)	-	-
7	Strides Biologix Private Limited							(0.46)	-	-
8	Sequent Research Limited							(3.09)	(1.15)	-
Balance of trade receivables (net of advance received) as at:										
1	Chayadeep Properties Private Limited							0.16	-	-
2	Nutra Specialities Private Limited								1.62	-
3	Sequent Scientific Limited							1.52	2.81	0.88
4	Sterling Pharma Solutions Limited (formerly, Shasun Pharma Solutions Limited)							64.25	-	-
5	Stelis Biopharma Private Limited*	12.45	-	-						
6	Strides Biologix Private Limited							1.71	-	-
Guarantees given on behalf of										
1	Stelis Biopharma Private Limited*	3,798.42	-	-						

* Refer note 37.2.2

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Related party transactions

₹ In Million

Nature of Transactions	KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Sales of materials/services:				
1 Lifecell International Private Limited			-	0.16
2 Nutra Specialities Private Limited			8.57	1.21
3 Sequent Scientific Limited			1.45	49.46
Guarantee Commission received:				
1 Sterling Pharma Solutions Limited (formerly, Shasun Pharma Solutions Limited)			4.42	-
Rental income from operating leases:				
1 Chayadeep Properties Private Limited			0.97	-
2 Sequent Scientific Limited			0.51	2.00
Other income from:				
1 Sequent Scientific Limited			2.12	8.48
Purchase of materials/services:				
1 Nutra Specialities Private Limited			8.40	8.16
2 Sequent Research Limited			14.00	14.38
3 Sequent Scientific Limited			826.77	743.75
Compensation received from vendors for breach of contracts for material supplies:				
1 Shasun Leasing and Finance Limited			808.47	-
2 Devendra Estates LLP			69.20	-
Royalty expenses to:				
1 Nutra Specialities Private Limited			-	0.45
Short Term Employee Benefits paid to (Refer note (i) below):				
1 Mr. Arun Kumar	40.00	52.50		
2 Mr. Badree Komandur	28.23	26.59		
3 Ms. Manjula Ramamurthy	0.48	-		
4 Mr. Shashank Sinha	28.85	-		
5 Mr. S Abhaya Kumar	33.73	21.17		
6 Mr. Aditya Arun Kumar	1.71	1.22		
Sitting Fees paid to:				
1 Mr. Deepak Vaidya	0.65	0.45		
2 Mr. M.R. Umarji	0.65	0.40		
3 Mr. A.K.Nair	0.40	0.45		
4 Mr. P.M.Thampi	0.50	0.30		
5 Mr. S.Sridhar	0.65	0.45		
6 Mrs. Sangita Reddy	0.20	0.10		
7 Mr. Bharat Shah	0.60	0.35		
Reimbursement of expenses incurred on behalf of:				
1 Sequent Scientific Limited			-	0.15
Rent paid:				
1 Atma Projects			54.20	23.06
2 Chayadeep Properties Private Limited			6.79	6.35
3 Devendra Estate Private Limited			2.78	2.70
Lease deposit paid:				
1 Atma Projects			-	43.84
Investments sold to:				
1 Tenshi Kaizen Private Limited			27.00	-
Donation:				
1 Shasun Foundation Trust			-	1.70
2 Strides Foundation Trust			17.30	19.60

Notes

i. The compensation excludes gratuity & compensated absences which cannot be separately identified from the composite amount advised by the actuary.

ii. Transactions and balances with its own subsidiaries which are eliminated on consolidation are not included above.

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Note No. 50 Subsidiary information

50.1 Details of the Group's subsidiaries at the end of the reporting period are as follows:

Sl. No.	Name of the subsidiary	Principal activity	Place of Incorporation	Proportion of ownership interest and voting power held by the Group		
				31-Mar-17	31-Mar-16	01-Apr-15
1	African Pharmaceutical Development Company*	Trading in Pharmaceutical products	Cameroon	-	85.00%	85.00%
2	Alliance Pharmacy Pty Limited**	IP Holding	Australia	51.00%	51.00%	-
3	Altima Innovations Inc.	Trading in Pharmaceutical products	USA	100.00%	100.00%	100.00%
4	Arrow Pharma Pte Limited	Investment Holding	Singapore	100.00%	95.00%	-
5	Arrow Pharma (Private) Limited	Trading in Pharmaceutical products	Sri Lanka	100.00%	95.00%	-
6	Arrow Pharma Life Inc.	Trading in Pharmaceutical products	Philippines	100.00%	95.00%	-
7	Arrow Pharma Pty Limited**	IP Holding	Australia	100.00%	100.00%	-
8	Arrow Pharmaceuticals Pty Limited**	Trading in Pharmaceutical products	Australia	100.00%	100.00%	-
9	Arrow Remedies Private Limited	Trading in Pharmaceutical products	India	100.00%	95.00%	-
10	Beltapharm S.p.A	Manufacturing and trading in Pharmaceutical products	Italy	97.94%	96.57%	96.57%
11	Chemsynth Laboratories Private Limited**	Trading in Pharmaceutical products	India	49.00%	49.00%	-
12	Congo Pharma SPRL*	Trading in Pharmaceutical products	Congo	-	85.00%	85.00%
13	Fagris Medica Private Limited	Manufacturing and trading in Pharmaceutical products	India	100.00%	90.00%	90.00%
14	Generic Partners Holding Co. Pty Limited**	Investment Holding	Australia	51.00%	-	-
15	Generic Partners Pty Limited**	Supplying and distributing generic pharmaceutical products	Australia	51.00%	-	-
16	Generic Partners (International) Pte Limited**	Supplying and distributing generic pharmaceutical products	Singapore	51.00%	-	-
17	Generic Partners (Canada) Inc**	Supplying and distributing generic pharmaceutical products	Canada	51.00%	-	-
18	Generic Partners (M) SDN BHD**	Supplying and distributing generic pharmaceutical products	Malaysia	51.00%	-	-
19	Generic Partners (NZ) Limited**	Supplying and distributing generic pharmaceutical products	New Zealand	51.00%	-	-
20	Generic Partners (South Africa) Pty Limited**	Supplying and distributing generic pharmaceutical products	South Africa	51.00%	-	-
21	Generic Partners UK Limited**	Supplying and distributing generic pharmaceutical products	UK	51.00%	-	-
22	Pharmacy Alliance Group Holdings Pty Limited**	Investment Holding	Australia	51.00%	51.00%	-
23	Pharmacy Alliance Investments Pty Limited**	Investment Holding	Australia	100.00%	100.00%	-
24	Pharmacy Alliance Pty Limited**	Providing business solutions to the independent pharmacy members	Australia	51.00%	51.00%	-
25	Shasun Foundation Trust**	Carrying out Social Responsibility activities	India	-	-	-
26	Shasun Pharma Solutions Inc.**	Trading in Pharmaceutical products	USA	100.00%	100.00%	-
27	Shasun Pharma Solutions Limited**	Contract research, custom synthesis and contract manufacturing services (CRAMS) for Active Pharma Ingredients (API) and Intermediaries for the pharmaceutical industry.	UK	-	100.00%	-
28	Shasun USA Inc.**	Trading in Pharmaceutical products	USA	100.00%	100.00%	-
29	Smarterpharm Pty Limited**	Providing buying solutions to the pharmacy owners through national pharmacy services	Australia	51.00%	-	-
30	Solara Active Pharma Sciences Limited	Develop, manufacture, market and trade in pharmaceutical and ancillary products	India	100.00%	-	-

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Sl. No.	Name of the subsidiary	Principal activity	Place of Incorporation	Proportion of ownership interest and voting power held by the Group		
				31-Mar-17	31-Mar-16	01-Apr-15
31	Sorepharma SA*	Trading in Pharmaceutical products	Burkino Faso	-	80.00%	80.00%
32	Stabilis Pharma Inc.**	Trading in Pharmaceutical products	USA	100.00%	100.00%	0.00%
33	Stelis Biopharma Private Limited	Biotechnology process development services for healthcare industries	India	NA	74.90%	100.00%
34	Stelis Biopharma (Malaysia) SDN. BHD	Develop, manufacture, market and trade in pharmaceutical and ancillary products	Malaysia	100.00%	74.90%	100.00%
35	Strides Africa Limited	Trading in Pharmaceutical products	British Virgin Islands	100.00%	100.00%	100.00%
36	Strides Arcolab (Australia) Pty Limited	Investment Holding	Australia	100.00%	100.00%	-
37	Strides Arcolab International Limited	Investment Holding	UK	100.00%	100.00%	100.00%
38	Strides Biologix Private Limited*	IP Holding	India	-	51.00%	-
39	Strides CIS Limited	Trading in Pharmaceutical products	Cyprus	100.00%	100.00%	100.00%
40	Strides Consumer Private Limited	Trading in Pharmaceutical products	India	100.00%	-	-
41	Strides Emerging Markets Private Limited	Manufacturing and trading in Pharmaceutical products	India	100.00%	100.00%	100.00%
42	Strides Foundation Trust	Carrying out Social Responsibility activities	India	-	-	-
43	Strides Healthcare Private Limited	Trading in Pharmaceutical products	India	74.00%	74.00%	74.00%
44	Strides Pharma (Cyprus) Limited	Trading in Pharmaceutical products	Cyprus	100.00%	100.00%	100.00%
45	Strides Pharma (SA) Pty Limited	Trading in Pharmaceutical products	South Africa	100.00%	100.00%	-
46	Strides Pharma Global (UK) Limited (formerly Strides Pharma (UK) Limited)	Investment Holding	UK	100.00%	100.00%	-
47	Strides Pharma Asia Pte. Limited	Investment Holding	Singapore	100.00%	100.00%	100.00%
48	Strides Pharma Botswana (Pty) Limited*	Trading in Pharmaceutical products	Botswana	-	70.00%	70.00%
49	Strides Pharma Cameroon Limited*	Trading in Pharmaceutical products	Cameroon	-	85.00%	85.00%
50	Strides Pharma Global Pte Limited	Develop, manufacture, market and trade in pharmaceutical and ancillary products	Singapore	100.00%	100.00%	100.00%
51	Strides Pharma Inc.	Trading in Pharmaceutical products	USA	100.00%	100.00%	100.00%
52	Strides Pharma International Limited	Investment Holding	Cyprus	100.00%	100.00%	100.00%
53	Strides Pharma Limited	Investment Holding	Cyprus	100.00%	100.00%	100.00%
54	Strides Pharma Mozambique*	Trading in Pharmaceutical products	Mozambique	-	51.00%	51.00%
55	Strides Pharma Namibia Pty Limited*	Trading in Pharmaceutical products	Namibia	-	70.00%	70.00%
56	Strides Pharma (UK) Limited (formerly Strides Shasun (UK) Limited)	Trading in Pharmaceutical products	UK	100.00%	100.00%	100.00%
57	Strides Specialties (Holdings) Limited	Trading in Pharmaceutical products	Mauritius	100.00%	100.00%	100.00%
58	Strides Vital Nigeria Limited*	Manufacturing and trading in Pharmaceutical products	Nigeria	-	74.00%	74.00%
59	SVADS Holdings SA**	Investment Holding	Switzerland	100.00%	100.00%	-
60	Universal Corporation Limited**	Manufacturing, development and trading in Pharmaceutics products	Kenya	51.00%	-	-

Notes

* Pursuant to disposal of subsidiaries. Refer note 37

** Pursuant to merger and business acquisition. Refer note 36

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50.2 Change in the Group's ownership interest in a subsidiary:

(i) During the year, as part of corporate restructuring, the following restructuring / reorganisation were done within the Group:

a) Investment held in Aponia Laboratories Inc., USA was transferred from Strides Shasun Limited, India to Strides Arcolab International Limited, UK.

b) Investment held in Strides Specialties (Holdings) Limited, Mauritius was transferred from Strides Pharma Global Pte Limited, Singapore to Strides Pharma Asia Pte Limited, Singapore.

c) Investment held in Stelis Biopharma (Malaysia) SDN BHD, Malaysia was transferred from Stelis Biopharma Private Limited, India to Strides Pharma Asia Pte Limited, Singapore.

d) Investments held in Strides Pharma Solutions Inc., USA and Stabilis Pharma Inc., USA were transferred from SVADS Holdings SA, Switzerland to Strides Arcolab International Limited, UK.

(ii) During the year, following entities have been incorporated within the Group:

a) Solara Active Pharma Sciences Limited, India.

b) Strides Consumer Private Limited, India

50.3 During the year the Board of Directors of the Company approved a Composite Scheme of Arrangement to be entered into between the Company, Sequent Scientific Limited (Sequent), and Solara Active Pharma Sciences Limited, India (Solara) and their respective shareholders' and creditors (the scheme) under sections 230-232 of the Companies Act, 2013 for demerger of the Company's Commodity API business and Human API Business of Sequent into Solara with effect from the appointed date of 1 October 2017. The scheme is subject to approval by shareholders and other regulatory authorities.

Note No. 51 Financial instruments

51.1 Categories of financial instruments

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Financial assets:			
Measured at fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
(i) Equity investments	-	-	-
(ii) Investment in Mutual funds	12,795.39	12,137.55	5,995.18
(b) Derivative financial assets	44.42	-	-
Measured at amortised cost			
(a) Cash and bank balances	3,294.76	3,115.88	1,473.82
(b) Other financial assets at amortised cost	11,503.57	10,870.44	4,039.46
Measured at FVTOCI			
(a) Fair value of derivatives designated in a cash flow hedge	340.48	139.72	90.40
(b) Investments in certain equity instruments designated upon initial recognition	302.30	432.14	687.56
Financial liabilities:			
Measured at fair value through profit or loss (FVTPL)			
(a) Gross obligation under written put option	4,263.70	1,503.40	173.38
(b) Derivative financial liabilities	63.23	-	-
Measured at amortised cost			
(a) Borrowings	36,996.49	35,417.80	8,773.07
(b) Other financial liabilities	8,129.22	8,715.58	3,021.31

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51.1.1 Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

51.1.2 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

₹ In Million

Financial assets / financial liabilities	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)
	31-Mar-17	31-Mar-16	01-Apr-15		
Financial assets:					
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	340.48	139.72	90.40	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.
Foreign currency forward contracts designated as at FVTPL	44.42	-	-	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.
Investment in Mutual fund (quoted)	12,795.39	12,137.55	5,995.18	Level 1	Fair value is determined based on the Net asset value published by respective funds.
Investment in equity instruments at FVTOCI (quoted) - Investment in Oncobiologics Inc., USA (refer note a)	302.30	432.14	687.56	Level 3 as at 1-Apr-15 & 31-Mar-16 Level 1 as at 31-Mar-17 (refer note b)	As at 1-Apr-15, and 31-Mar-16 fair value is determined based on level 3 inputs. As at 31-Mar-17, fair value of the said investment is derived based on the quoted prices on stock exchanges as the shares got listed in the stock exchange.
Financial liabilities:					
Gross obligation under put options	4,263.70	1,503.40	173.38	Level 3	The said obligation under put options are valued using Black Scholes / Monte carlo simulation model. Significant unobservable inputs used for the said valuation are volatility and risk free interest rate (Discount rate). Refer note (c) below
Interest rate swaps designated as at FVTPL	63.23	-	-	Level 2	Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

Notes:

a) These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments in equity instruments as at FVTOCI as the directors believe that this provides a more meaningful presentation for a medium or long-term strategic investments, than reflecting changes in fair value immediately in statement profit and loss.

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b) Pursuant to the listing of Oncobiologics Inc., USA, the valuation methodology was changed from Level 3 to Level 1 during the year ended March 31, 2017.

c) There is a wide range of possible fair value measurements for the valuation of exercise price of written-put options included in Level 3 of fair value hierarchy and the amount considered above represents the estimate of the fair value within that range.

Reconciliation of Level 3 fair value measurements

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Opening balance	1,503.40	173.38
Recognition of gross obligation with respect to put options issued during the year	2,878.21	1,297.95
Disposal / settlements	(207.07)	-
Gains or losses in the statement of profit and loss	118.81	32.07
Currency translations in other comprehensive income	(29.65)	-
Closing balance	4,263.70	1,503.40

The above said gain / loss on fair valuation of options is recognised in the statement of profit and loss under "Exceptional items".

51.1.3 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Group considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortized cost will reasonably approximate their fair values.

₹ In Million

Particulars	31-Mar-17		31-Mar-16		01-Apr-15	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Borrowings	36,996.49	37,686.05	35,417.80	36,613.01	8,773.07	8,917.07

51.2 Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivative for speculative purposes maybe undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

51.3 Foreign currency risk management

The Group is exposed to foreign exchange risk due to:

- debt availed in foreign currency

- net investments in subsidiaries and joint ventures that are in foreign currencies

- exposure arising from transactions relating to purchases, revenues, expenses, etc., to be settled (within and outside the group) in currencies other than the functional currency of the respective entities

Exchange rate exposures are managed within approved policy parameters by utilising forward foreign exchange contracts.

51.3.1 Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover the following:

a. repayments of specific foreign currency borrowings.

b. the risk associated with anticipated sales and purchase transactions out to 6 months within 50% to 70% of the exposure generated.

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

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Contracts designated in a Cash flow hedge

Outstanding contracts	Underlying Exposure	Average exchange rate (₹)	Foreign currency (USD in Million)	Nominal amounts (₹ in Million)	Fair value assets (liabilities) (₹ in Million)
As at March 31, 2017					
Sell USD					
Less than 3 months	Forecast sales	70.37	21.00	1,477.73	103.45
3 to 6 months		70.13	34.00	2,384.54	131.98
6 to 12 months		70.74	28.00	1,980.72	105.05
Total			**83.00**	**5,842.99**	**340.48**
As at March 31, 2016					
Sell USD					
Less than 3 months	Forecast sales	69.43	24.00	1,666.43	49.88
3 to 6 months		71.19	30.00	2,135.77	33.08
6 to 12 months		69.05	24.00	1,657.26	56.76
Total			**78.00**	**5,459.46**	**139.72**
As at April 01, 2015					
Sell USD					
Less than 3 months	Forecast sales	65.74	25.00	1,643.62	41.04
3 to 6 months		66.37	26.00	1,725.50	31.82
6 to 12 months		65.08	23.00	1,496.88	17.54
Total			**74.00**	**4,866.00**	**90.40**

The line-items in the Consolidated balance sheet that include the above hedging instruments are "Other financial assets".

Contracts not designated in a Cash flow hedge

Amounts In Million

Amount receivable/(payable)	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
Exposure to the Currency	**in foreign Currency (USD)**	**in ₹**	**in foreign Currency**	**in ₹**	**in foreign Currency**	**in ₹**
Trade receivables hedged with forward contract wtih maturity less than 3 month	9.00	44.42	-	-	-	-

Further the Group has borrowings in USD repayable in AUD representing the carrying value of ₹ 3,892.85 Million as at 31-Mar-17 (as at 31-Mar-16 and as at 1-Apr-15: ₹ Nil) which is hedged with cross-currency interest rate swap.

The details of Unhedged foreign currency exposure are as follows:

Amounts In Million

Amount receivable/(payable)	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
Exposure to the Currency	**in foreign Currency**	**in ₹**	**in foreign Currency**	**in ₹**	**in foreign Currency**	**in ₹**
USD	(118.19)	(7,665.49)	(154.27)	(10,220.89)	(67.46)	(4,216.15)
AUD	53.55	2,649.59	93.30	4,734.07	1.20	56.66
EUR	24.66	1,704.07	4.69	353.34	19.54	1,306.31
CAD	1.84	89.73	0.60	30.62	0.23	11.28
GBP	8.87	722.21	24.00	2,283.57	(2.82)	(260.51)
SGD	0.47	21.97	(0.13)	(6.47)	-	-
JPY	5.92	3.45	(3.31)	(1.95)	0.02	0.01
CHF	0.01	0.53	0.03	1.99	-	-

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51.3.2 Foreign currency sensitivity analysis

Financial instruments affected by changes in foreign exchange rates include External Commercial Borrowings (ECBs), loans in foreign currencies to subsidiaries and joint ventures. The Group considers US Dollar and the Euro to be principal currencies which require monitoring and risk mitigation. The Group is exposed to volatility in other currencies including the Great Britain Pounds (GBP) and the Australian Dollar (AUD). The impact on account of 5% appreciation / depreciation in the exchange rate of the above foreign currencies against INR is given below:

₹ In Million

Particulars	Increase / (Decrease) in Equity		
	31-Mar-17	31-Mar-16	01-Apr-15
Appreciation in the USD	(383.27)	(511.04)	(210.81)
Depreciation in the USD	383.27	511.04	210.81
Appreciation in the EUR	85.20	17.67	65.32
Depreciation in the EUR	(85.20)	(17.67)	(65.32)
Appreciation in the AUD	132.48	236.70	2.83
Depreciation in the AUD	(132.48)	(236.70)	(2.83)
Appreciation in the GBP	36.11	114.18	(13.03)
Depreciation in the GBP	(36.11)	(114.18)	13.03

The impact on profit has been arrived at by applying the effects of appreciation / deprecation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purposes of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of the respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at each year end.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting period might not reflect the exposure during the year.

51.4 Interest rate risk management

Interest rate risk arises from borrowings. Debt issued at variable rates exposes the Group to cash flow risk. Debt issued at fixed rate exposes the Group to fair value risk. The Group mitigates its interest rate risk by entering into interest rate swap contracts.

51.4.1 Interest rate sensitivity analysis

Financial instruments affected by interest rate changes include Secured Long term loans from banks, Secured Long term loans from others, Unsecured Long term loans, Secured Short term loans from banks and Unsecured Short term loans from banks and others. The impact of a 1% change in interest rates on the profit of an annual period will be ₹ 376.38 Million (Previous year : ₹ 364.94 Million) assuming the loans at each year end remain constant during the respective years. This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets.

The change in sensitivity to interest rate is attributed to the following:

a. new acquisitions in the current year.

b. hedging instruments taken to fix certain variable interest loans

51.4.2 Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

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The following tables detail the nominal amounts and remaining terms of interest rate swap contracts outstanding as at March 31, 2017. The same was NIL as at March 31, 2016 and April 1, 2015.

Not Designated in a Cash Flow Hedge

a) Borrowing in USD floating rate swaped for repayment in USD fixed rate:

₹ In Million

Outstanding (receive floating pay fixed) contracts	Average contracted fixed interest rate	Nominal amounts	Fair value assets (liabilities)
Less than 1 year	-	-	-
1 to 2 years	-	-	-
2 to 5 years	-	-	-
5 years +	2.15%	3,048.89	(16.76)
Total		**3,048.89**	**(16.76)**

b) Borrowing in USD floating rate swaped for repayment in AUD fixed rate:

₹ In Million

Outstanding contracts	Average contracted fixed interest rate	Nominal amounts	Fair value assets (liabilities)
Less than 1 year	7.09%	658.79	(8.33)
1 to 2 years		778.57	(9.85)
2 to 5 years		2,455.49	(28.29)
5 years +		-	-
Total		**3,892.85**	**(46.47)**

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as FVTPL.

The line-item in the consolidated balance sheet that includes the above instruments is "Other financial liabilites".

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Group will settle the difference between the fixed and floating interest rate on a net basis.

51.5 Other price risks

The Group is exposed to equity price risks arising from equity investments. Certain of the Group's equity investments are held for strategic rather than for trading purposes.

51.5.1 Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, other comprehensive income for the year ended March 31, 2017 would increase / decrease by ₹ 15.12 Million (for the year ended March 31, 2016: increase/decrease by ₹ 20.84 Million) as a result of the changes in fair value of equity investments measured at FVTOCI.

51.6 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit Risk to the group primarily arises from trade receivables. Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions and other financial assets.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated equivalent of investment grade and above. The Group has an internal mechanism of determining the credit rating of the customers and setting credit limits. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The credit risk arising from receivables is subject to currency risk in that the receivables are predominantly

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denominated in USD, AUD and GBP and any appreciation in the INR will affect the credit risk. Further, the group is not significantly exposed to geographical distribution risk as the counterparties operate across various countries across the Globe.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

51.7 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. A portion of the Group's surplus cash is retained as investments in Liquid Mutual Funds to fund short term requirements.

51.7.1 Liquidity analysis for Non-Derivative Liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

₹ In Million

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank & other borrowings								
- As on March 31, 2017	20,740.62	2,891.74	3,420.41	3,605.73	2,506.83	4,520.72	37,686.05	36,996.49
- As on March 31, 2016	9,158.19	8,635.68	3,099.22	3,479.13	3,370.01	8,870.78	36,613.01	35,417.80
- As on April 01, 2015	6,243.19	1,004.71	1,019.37	187.58	387.22	75.00	8,917.07	8,773.07
Interest payable on borrowings								
- As on March 31, 2017	124.95	-	-	-	-	-	124.95	124.95
- As on March 31, 2016	156.43	-	-	-	-	-	156.43	156.43
- As on April 01, 2015	28.15	-	-	-	-	-	28.15	28.15
Trade and other payable not in net debt								
- As on March 31, 2017	7,966.40	-	-	-	-	48.28	8,014.68	8,004.27
- As on March 31, 2016	8,516.39	-	-	-	-	55.45	8,571.84	8,559.16
- As on April 01, 2015	2,958.58	-	-	-	-	49.25	3,007.83	2,993.16

51.8 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 8,16, 17 and 21 offset by cash and bank balances and Investment in Mutual funds) and total equity of the Group.

The Group reviews the capital structure of the Group on a semi-annual basis to ensure that it in compliance with the required covenants. The Group has a target gearing ratio of 1:1 determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2017 is 0.73.

The Group is not subject to any externally imposed capital requirements.

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51.8.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Debt (i)	36,996.49	35,417.80	8,773.07
Less:			
Investment in Mutual funds	12,795.39	12,137.55	5,995.18
Cash and bank balances	3,294.76	3,115.88	1,473.82
Net Debt (A)	**20,906.34**	**20,164.37**	**1,304.07**
Total Equity (B)	**28,744.35**	**27,080.79**	**11,696.99**
Net debt to equity ratio (A/B)	0.73	0.74	0.11

(i) Debt is defined as long-term borrowings, current maturities of long-term borrowings and short-term borrowings and does not include obligations relating to derivatives over non-controlling interests.

Note No. 52

The detailed transfer pricing regulations ('regulations') for computing the income from "domestic transactions" with specified parties and international transactions between 'associated enterprises' on an 'arm's length' basis is applicable to the Group. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant which is to be filed with the Income tax authorities.

The Group has undertaken necessary steps to comply with the transfer pricing regulations. The Management is of the opinion that the transactions with associated enterprises and domestic transactions are at arm's length, and hence the aforesaid legislation will not have any material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note No. 53 Other matters

(a) In respect of freehold land to the extent of 7.20 acres (as at March 31, 2017 gross block and net block amounting to ₹ 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 52.01 acres (as at March 31, 2017 gross block ₹ 1,302.05 Million and net block of ₹ 1,052.40 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 freehold land admeasuring 0.6 acres (as at March 31, 2017 gross block and net block amounting to ₹ 0.8111 Million) capitalised in the books of the Company, the title deeds are not in the name of the Company. The Company is in the process of transferring the title deeds of such land in its name.

(d) In respect of building admeasuring 750 sq. ft. (as at March 31, 2017 gross block of ₹ 3.55 Million and net block ₹ 1.30 Million) capitalised in the books of the Company, the title deeds are not in the name of the Company. The Company is in the process of transferring the title deeds of such building in its name.

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Note No. 54 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 for the year ended March 31, 2017

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Million	As % of consolidated profit or loss	₹ in Million	As % of consolidated other comprehensive income	₹ in Million	As % of consolidated total comprehensive income	₹ in Million
Strides Shasun Limited	36.98%	32,325.27	193.83%	1,085.37	-46.28%	36.62	233.35%	1,121.99
Indian Subsidiaries:								
Arrow Remedies Private Limited	0.00%	(0.72)	-0.14%	(0.81)	0.00%	-	-0.17%	(0.81)
Chemsynth Laboratories Private Limited	0.06%	55.27	-0.24%	(1.35)	0.00%	-	-0.28%	(1.35)
Fagris Medica Private Limited	0.00%	0.93	-5.08%	(28.45)	0.00%	-	-5.92%	-28.45
Shasun Foundation Trust	0.00%	0.47	-0.02%	(0.09)	0.00%	-	-0.02%	(0.09)
Solara Active Pharma Sciences Limited	0.00%	0.10	0.00%	-	0.00%	-	0.00%	-
Strides Biologix Private Limited	0.00%	-	-2.20%	(12.30)	-0.16%	0.13	-2.53%	(12.17)
Stelis Biopharma Private Limited	0.00%	-	-31.87%	(178.47)	1.00%	(0.79)	-37.28%	(179.26)
Strides Consumer Private Limited	0.00%	0.10	0.00%	-	0.00%	-	0.00%	-
Strides Emerging Markets Private Limited	0.04%	37.20	-19.17%	(107.34)	0.78%	(0.62)	-22.45%	(107.96)
Strides Foundation Trust	0.03%	23.30	0.56%	3.15	0.00%	-	0.66%	3.15
Strides Healthcare Private Limited	0.66%	577.02	-4.23%	(23.68)	-0.02%	0.02	-4.92%	(23.66)
Foreign Subsidiaries:								
African Pharmaceutical Development Company	0.00%	-	-0.39%	(2.20)	0.00%	-	-0.46%	(2.20)
Alliance Pharmacy Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Altima Innvovations Inc.	-0.18%	(154.68)	-28.56%	(159.91)	0.00%	-	-33.26%	(159.91)
Arrow Pharma (Private) Limited	-0.01%	(5.75)	-3.99%	(22.32)	0.00%	-	-4.64%	(22.32)
Arrow Pharma Life Inc.	0.01%	5.13	-1.17%	(6.54)	0.00%	-	-1.36%	(6.54)
Arrow Pharma Pte Limited	-0.01%	(5.45)	-6.80%	(38.07)	0.00%	-	-7.92%	(38.07)
Arrow Pharmaceuticals Pty Limited	6.36%	5,562.34	6.23%	34.87	0.00%	-	7.25%	34.87
Beltapharm SpA	0.08%	70.03	-15.12%	(84.68)	0.00%	-	-17.61%	(84.68)
Generic Partners (Canada) Inc.	-0.05%	(43.60)	-0.95%	(5.30)	0.00%	-	-1.10%	(5.30)
Generic Partners (M) SDN BHD	0.00%	0.34	-0.03%	(0.19)	0.00%	-	-0.04%	(0.19)
Generic Partners Pty Limited	0.44%	381.28	136.72%	765.54	0.00%	-	159.21%	765.54
Generic Partners Holding Co Pty Limited	0.85%	744.01	-0.08%	(0.45)	0.00%	-	-0.09%	(0.45)
Generic Partners (International) Pte Limited	0.01%	7.80	0.10%	0.58	0.00%	-	0.12%	0.58
Generic Partners (NZ) Limited	0.00%	(1.87)	-0.35%	(1.97)	0.00%	-	-0.41%	(1.97)
Generic Partners (SA) Pty Limited	0.00%	(0.01)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Generic Partners UK Limited	0.02%	21.67	4.60%	25.78	0.00%	-	5.36%	25.78
Pharmacy Alliance Investments Pty Limited	0.82%	717.43	3.44%	19.24	0.00%	-	4.00%	19.24
Pharmacy Alliance Group Holdings Pty Limited	0.00%	(0.01)	6.74%	37.72	0.00%	-	7.84%	37.72
Pharmacy Alliance Pty Limited	0.38%	333.35	21.58%	120.82	0.00%	-	25.13%	120.82
Shasun Pharma Solutions Inc.	0.00%	(0.19)	-5.27%	(29.53)	0.00%	-	-6.14%	(29.53)
Smarterpharm Pty Limited	0.01%	8.02	0.65%	3.63	0.00%	-	0.75%	3.63
Sorepharm, Burkinofaso	0.00%	-	2.89%	16.17	0.00%	-	3.36%	16.17
Stabilis Pharma Inc.	0.00%	0.32	1.73%	9.69	0.00%	-	2.02%	9.69
Stelis Biopharma (Malaysia) SDN. BHD.	0.10%	83.96	0.14%	0.76	0.00%	-	0.16%	0.76
Strides Africa Limited	0.00%	0.13	6.80%	38.09	0.00%	-	7.92%	38.09
Strides Arcolab International Limited	2.91%	2,543.06	14.62%	81.84	0.00%	-	17.02%	81.84
Strides Arcolab (Australia) Pty Limited	6.51%	5,691.28	2.82%	15.78	0.00%	-	3.28%	15.78

Notes
forming part of the consolidated financial statements

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Million	As % of consolidated profit or loss	₹ in Million	As % of consolidated other comprehensive income	₹ in Million	As % of consolidated total comprehensive income	₹ in Million
Strides CIS Limited	0.01%	7.86	0.79%	4.40	0.00%	-	0.92%	4.40
Strides Pharma (Cyprus) Limited	3.61%	3,156.04	-115.80%	(648.43)	0.00%	-	-134.86%	(648.43)
Strides Pharma Asia Pte Limited	10.14%	8,861.79	252.07%	1,411.49	0.00%	-	293.55%	1,411.49
Strides Pharma Botswana (Pty) Limited	0.00%	-	1.89%	10.60	0.00%	-	2.20%	10.60
Strides Pharma Cameroon	0.00%	-	0.94%	5.27	0.00%	-	1.10%	5.27
Strides Pharma Global Pte Limited	17.40%	15,213.18	53.89%	301.77	0.00%	-	62.76%	301.77
Strides Pharma Global (UK) Limited (Strides Pharma (UK) Limited)	2.19%	1,911.96	-0.79%	(4.41)	144.69%	(114.48)	-24.73%	(118.89)
Strides Pharma Inc.	2.52%	2,198.92	-2.69%	(15.07)	0.00%	-	-3.13%	(15.07)
Strides Pharma International Limited	1.87%	1,630.28	-419.34%	(2,348.07)	0.00%	-	-488.34%	(2,348.07)
Strides Pharma Mozambique	0.00%	-	0.96%	5.35	0.00%	-	1.11%	5.35
Strides Pharma Namibia Pty Limited	0.00%	-	1.18%	6.61	0.00%	-	1.37%	6.61
Strides Pharma Limited	4.01%	3,509.49	-10.50%	(58.77)	0.00%	-	-12.22%	(58.77)
Strides Pharma (SA) Pty Limited	0.00%	(3.38)	-0.29%	(1.60)	0.00%	-	-0.33%	(1.60)
Strides Pharma (UK) Limited (Strides Shasun (UK) Limited)	0.27%	235.20	15.72%	88.04	0.00%	-	18.31%	88.04
Shasun Pharma Solutions Limited	0.00%	-	3.82%	21.37	0.00%	-	4.44%	21.37
Strides Specialties (Holdings) Limited	0.00%	(1.52)	-0.17%	(0.93)	0.00%	-	-0.19%	(0.93)
Shasun USA Inc.	-0.23%	(200.34)	3.85%	21.58	0.00%	-	4.49%	21.58
Strides Vital Nigeria Limited	0.00%	-	-97.13%	(543.90)	0.00%	-	-113.12%	(543.90)
SVADS Holdings SA	1.05%	915.33	82.22%	460.39	0.00%	-	95.75%	460.39
Universal Corporation Limited	1.14%	999.35	50.95%	285.29	0.00%	-	59.33%	285.29
Foreign Associates:								
Aponia Laboratories Inc.	0.00%	-	0.64%	3.61	0.00%	-	0.75%	3.61
Regional Bio Equivalence Centre S.C.	0.00%	-	-0.09%	(0.53)	0.00%	-	-0.11%	(0.53)
Foreign Joint ventures:								
Shasun NBI LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
SPC Co Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Oraderm Pharmaceuticals Pty Limited	0.00%	-	0.09%	0.52	0.00%	-	0.11%	0.52
Strides Shasun Latina, SA de CV	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total	100.00%	87,411.69	100.00%	559.95	100.00%	(79.12)	100.00%	480.83
a) Adjustments arising out of consolidation		(58,667.37)		3,899.49		(363.70)		3,535.79
b) Minority Interest in all subsidiaries:								
Indian Subsidiaries:								
- Chemsynth Laboratories Private Limited		(28.19)		1.23		-		1.23
- Strides Biologix Private Limited		-		6.03		0.69		6.72
- Stelis Biopharma Private Limited		-		46.09		0.08		46.17
- Strides Healthcare Private Limited		(150.02)		6.16		0.02		6.18
Foreign Subsidiaries:				-				
- African Pharmaceutical Development Company		-		0.31		-		0.31
- Beltapharm SpA		3.20		1.54		-		1.54
- Generic Partners (Canada) Inc		21.37		2.48		-		2.48
- Generic Partners (M) SDN BHD		(0.16)		0.09		-		0.09
- Generic Partners Pty Limited		(304.47)		(368.98)		-		(368.98)

Notes
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Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Million	As % of consolidated profit or loss	₹ in Million	As % of consolidated other comprehensive income	₹ in Million	As % of consolidated total comprehensive income	₹ in Million
-Generic Partners Holding Co Pty Limited		(364.56)		0.22		-		0.22
- Generic Partners (International) Pte Limited		(0.28)		(0.28)		-		(0.28)
- Generic Partners (NZ) Limited		0.92		0.92		-		0.92
- Generic Partners (SA) Pty Limited		0.01		0.01		-		0.01
- Generic Partners UK Limited		(12.00)		(13.17)		-		(13.17)
- Pharmacy Alliance Pty Limited		(163.34)		(40.05)		-		(40.05)
- Sorepharm, Burkinofaso		-		(3.06)		-		(3.06)
- Strides Pharma Botswana (Pty) Limited		-		(3.15)		-		(3.15)
- Strides Pharma Cameroon		-		(0.75)		-		(0.75)
- Strides Pharma Mozambique		-		(2.45)		-		(2.45)
- Strides Pharma Namibia Pty Limited		-		(2.00)		-		(2.00)
- Strides Vital Nigeria Limited		-		1.55		-		1.55
- Universal Corporation Limited		(681.38)		(133.72)		-		(133.72)
NCI eliminated on unrealised stock margin		39.03		39.03		-		39.03
Total		27,104.45		3,997.49		(442.03)		3,555.46

(i) Share of discontinued operations included above is as follows:

₹ In Million

Discontinued operation	Profit or loss	Other Comprehensive Income	Total Comprehensive Income
Pharma generics business in Africa	(512.36)	-	(512.36)
Biotech business	(178.47)	(0.79)	(179.26)
Shasun Pharma Solutions Limited	21.37	-	21.37
Medispan business	(33.10)	0.13	(32.97)
Manufacturing specialties business	2,661.10	-	2,661.10
Total	**1,958.54**	**(0.66)**	**1,957.88**

(ii) The amounts given here in respect of associates and joint ventures are the share of the Group in the profit or loss of the respective associates and joint ventures.

Notes

forming part of the consolidated financial statements

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 for the year ended March 31, 2016

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Million	As % of consolidated profit or loss	₹ in Million	As % of consolidated other comprehensive income	₹ in Million	As % of consolidated total comprehensive income	₹ in Million
Strides Shasun Limited	38.27%	31,576.26	30.62%	1,302.00	-11.02%	29.35	33.40%	1,331.35
Indian Subsidiaries:								
Arrow Remedies Private Limited	0.00%	0.09	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Chemsynth Laboratories Private Limited	0.07%	57.68	-0.18%	(7.56)	0.00%	-	-0.19%	(7.56)
Fagris Medica Private Limited	-0.01%	(9.28)	-0.07%	(3.06)	0.00%	(0.01)	-0.08%	(3.08)
Strides Biologix Private Limited	0.12%	95.49	-0.14%	(5.99)	-0.04%	0.11	-0.15%	(5.89)
Stelis Biopharma Private Limited	0.55%	455.06	-10.09%	(429.11)	-0.18%	0.48	-10.75%	(428.63)
Strides Emerging Markets Private Limited	0.18%	145.15	-1.94%	(82.61)	-0.11%	0.28	-2.07%	(82.33)
Strides Healthcare Private Limited	0.73%	600.68	-0.65%	(27.49)	-0.05%	0.13	-0.69%	(27.37)
Strides Foundation Trust	0.02%	20.15	0.18%	7.62	0.00%	-	0.19%	7.62
Shasun Foundation Trust	0.00%	(0.68)	0.00%	(0.14)	0.00%	-	0.00%	(0.14)
Foreign Subsidiaries:								
African Pharmaceutical Development Company	0.02%	16.48	-0.25%	(10.73)	0.00%	-	-0.27%	(10.73)
Alliance Pharmacy Pty Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
Altima Innvovations Inc	0.00%	0.19	0.00%	(0.20)	0.00%	-	-0.01%	(0.20)
Arrow Pharma (Private) Limited	0.01%	5.70	-0.16%	(6.91)	0.00%	-	-0.17%	(6.91)
Arrow Pharma Life Inc.	0.02%	14.88	-0.03%	(1.29)	0.00%	-	-0.03%	(1.29)
Arrow Pharma Pte Limited	0.03%	22.09	-0.56%	(23.63)	0.00%	-	-0.59%	(23.63)
Arrow Pharmaceuticals Pty Limited	5.72%	4,721.28	-5.20%	(221.08)	0.00%	-	-5.55%	(221.08)
Beltapharm SpA	0.14%	118.26	-1.98%	(84.40)	0.00%	-	-2.12%	(84.40)
Pharmacy Alliance Group Holdings Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Pharmacy Alliance Investments Pty Limited	0.86%	710.26	0.00%	-	0.00%	-	0.00%	-
Pharmacy Alliance Pty Limited	0.39%	320.09	0.30%	12.64	0.00%	-	0.32%	12.64
Sorepharm, Burkinofaso	-0.01%	(5.30)	0.10%	4.04	0.00%	-	0.10%	4.04
Stelis Biopharma (Malaysia) SDN. BHD.	0.12%	96.23	-2.42%	(102.99)	0.00%	-	-2.58%	(102.99)
Strides Africa Limited	-0.05%	(37.55)	0.00%	-	0.00%	-	0.00%	-
Strides Arcolab (Australia) Pty Limited	6.01%	4,961.82	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Strides Arcolab International Limited	3.00%	2,478.04	-0.98%	(41.63)	0.00%	-	-1.04%	(41.63)
Strides CIS Limited	0.00%	3.68	-0.28%	(11.97)	0.00%	-	-0.30%	(11.97)
Strides Pharma (Cyprus) Limited	3.56%	2,937.84	12.01%	510.62	0.00%	-	12.81%	510.62
Strides Pharma (UK) Limited (Strides Shasun (UK) Limited)	0.22%	178.82	3.23%	137.50	0.00%	-	3.45%	137.50
Strides Pharma Global (UK) Limited(Strides Pharma (UK) Limited)	4.63%	3,823.19	-0.14%	(5.87)	111.40%	(296.68)	-7.59%	(302.55)
Strides Pharma Asia Pte Limited	7.71%	6,364.03	-5.91%	(251.36)	0.00%	-	-6.31%	(251.36)
Strides Pharma Botswana (Pty) Limited	0.02%	20.15	0.25%	10.80	0.00%	-	0.27%	10.80
Strides Pharma Cameroon	0.00%	1.15	0.00%	-	0.00%	-	0.00%	-
Strides Pharma Global Pte Limited	15.47%	12,764.84	24.44%	1,039.08	0.00%	-	26.07%	1,039.08
Strides Pharma Inc	2.74%	2,261.12	37.49%	1,594.10	0.00%	-	39.99%	1,594.10
Strides Pharma International Limited	4.83%	3,988.30	-4.62%	(196.30)	0.00%	-	-4.92%	(196.30)
Strides Pharma Limited	4.37%	3,608.23	26.51%	1,127.22	0.00%	-	28.28%	1,127.22
Strides Pharma Mozambique	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Strides Pharma Namibia Pty Limited	0.01%	5.76	-0.22%	(9.42)	0.00%	-	-0.24%	(9.42)

Notes

forming part of the consolidated financial statements

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Million	As % of consolidated profit or loss	₹ in Million	As % of consolidated other comprehensive income	₹ in Million	As % of consolidated total comprehensive income	₹ in Million
Strides Pharma (SA) Pty Limited	0.00%	(1.62)	-0.04%	(1.74)	0.00%	-	-0.04%	(1.74)
Strides Specialties (Holdings) Limited	0.00%	(0.63)	0.00%	(0.19)	0.00%	-	0.00%	(0.19)
Strides Vital Nigeria Limited	-0.65%	(538.53)	-0.66%	(28.04)	0.00%	-	-0.70%	(28.04)
Shasun USA Inc	-0.27%	(221.92)	-0.12%	(5.29)	0.00%	-	-0.13%	(5.29)
SVADS Holdings SA	0.55%	454.93	0.03%	1.31	0.00%	-	0.03%	1.31
Shasun Pharma Solutions Limited	0.58%	477.92	2.67%	113.42	0.00%	-	2.85%	113.42
Shasun Pharma Solutions Inc	0.04%	29.01	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Stabilis Pharma Inc.	-0.01%	(9.37)	-0.05%	(2.28)	0.00%	-	-0.06%	(2.28)
Foreign Associates:								
Aponia Laboratories Inc.	0.00%	-	-1.10%	(46.84)	0.00%	-	-1.18%	(46.84)
Foreign Joint ventures:								
Shasun NBI LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total	100.00%	82,509.98	100.00%	4,252.19	100.00%	(266.35)	100.00%	3,985.83
a) Adjustments arising out of consolidation		(55,429.18)		(3,302.21)		457.09		(2,845.12)
b) Minority Interest in all subsidiaries:								
Indian Subsidiaries:								
- Chemsynth Laboratories Private Limited		(29.43)		4.13				4.13
- Strides Biologix Private Limited		(46.79)		3.43				3.43
- Stelis Biopharma Private Limited		(114.22)		107.73				107.73
- Strides Healthcare Private Limited		(152.01)		11.59				11.59
Foreign Subsidiaries:								
- African Pharmaceutical Development Company		(2.44)		5.54				5.54
- Arrow Pharma Pte Limited		(1.11)		1.19				1.19
- Beltapharm SpA		3.02		3.02				3.02
-Pharmacy Alliance Pty Limited		(156.84)		(6.52)				(6.52)
- Sorepharm, Burkinofaso		(0.84)		(0.84)				(0.84)
- Strides Pharma Botswana (Pty) Limited		(6.05)		(3.15)				(3.15)
- Strides Pharma Cameroon		(0.17)		-				-
- Strides Pharma Namibia Pty Limited		(1.73)		2.65				2.65
- Strides Vital Nigeria Limited		6.49		6.49				6.49
Total		26,578.68		1,085.24		190.74		1,275.98

(i) The amounts given here in respect of associates and joint ventures are the share of the Group in the profit or loss of the respective associates and joint ventures.

Notes
forming part of the consolidated financial statements

Note No. 55 Summarised financial information of material non wholly-owned subsidiaries as on March 31, 2017

₹ In Million

			Summary of financial information						Summary of Statement of Profit and Loss				Cash flows			
Sl. No.	Name of the Subsidiary	Share-holding (%)	Current Assets	Non-Current Assets	Current Liabilities	Non Current Liabilities	Equity attributable to owners	Non Controlling interest	Profit before taxation	Provision for taxation	Profit after taxation	Dividend paid to Non controlling interest	Net cash inflow (outflow) from operating activities	Net cash inflow (outflow) from investing activities	Net cash inflow (outflow) from financing activities	Net cash inflow (outflow)
1	Generic Partners Pty Limited	51.00%	1,033.80	962.36	543.72	119.01	1,028.96	304.47	768.42	2.88	765.54	-	(254.60)	(4.38)	259.73	0.75
2	Generic Partners Holding Co Pty Limited	51.00%	14.32	734.64	4.95	-	379.45	364.56	(0.45)	-	(0.45)	-	0.02	(734.55)	734.55	0.02
3	Pharmacy Alliance Pty Limited	51.00%	331.40	320.58	181.81	136.82	170.01	163.34	170.18	49.36	120.82	18.49	91.46	(104.78)	65.44	52.12
4	Strides Healthcare Private Limited	74.00%	579.10	2.29	4.15	0.23	426.99	150.02	(34.26)	(10.59)	(23.67)	-	0.89	-	(1.78)	(0.89)
5	Universal Corporation Limited	51.00%	1,113.18	1,153.98	752.86	123.73	709.19	681.38	285.29	-	285.29	-	17.24	(150.02)	96.78	(36.00)

Summarised financial information of material non wholly-owned subsidiaries as on March 31, 2016

₹ In Million

			Summary of financial information						Summary of Statement of Profit and Loss				Cash flows			
Sl. No.	Name of the Subsidiary	Share-holding (%)	Current Assets	Non-Current Assets	Current Liabilities	Non Current Liabilities	Equity attributable to owners	Non Controlling interest	Profit before taxation	Provision for taxation	Profit after taxation	Dividend paid to Non controlling interest	Net cash inflow (outflow) from operating activities	Net cash inflow (outflow) from investing activities	Net cash inflow (outflow) from financing activities	Net cash inflow (outflow)
1	Chemsynth Laboratories Private Limited	49.00%	1.32	79.46	0.05	23.05	28.26	29.42	(7.64)	(0.09)	(7.56)	-	(0.12)	-	-	(0.12)
2	Pharmacy Alliance Pty Limited	51.00%	249.99	207.50	113.39	24.02	163.25	156.84	15.39	2.75	12.64	-	6.66	(0.21)	(1.63)	4.82
3	Stelis Biopharma Private Limited	74.90%	773.22	1,711.91	256.61	1,773.46	340.84	114.22	(428.74)	0.37	(429.11)	-	600.98	(1,656.08)	1,045.32	(9.78)
4	Strides Biologix Private Limited	51.00%	25.41	129.04	53.06	5.90	48.70	46.79	(5.99)	-	(5.99)	-	(6.07)	(52.20)	58.63	0.36
5	Strides Healthcare Private Limited	74.00%	14.09	612.24	25.45	0.20	448.67	152.01	(40.31)	(12.81)	(27.49)	-	8.66	-	(5.11)	3.55

Summarised financial information of material non wholly-owned subsidiaries as on April 1, 2015

₹ In Million

			Summary of financial information						
Sl. No.	Name of the Subsidiary	Share-holding (%)	Current Assets	Non-Current Assets	Current Liabilities	Non Current Liabilities	Equity attributable to owners	Non Controlling interest	Dividend paid to Non controlling interest
1	Strides Healthcare Private Limited	74.00%	14.09	612.24	25.45	0.20	481.64	119.04	-

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRIDES SHASUN LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of STRIDES SHASUN LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, and the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting 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, 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards and the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 39.1 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 the investments in entities in the Specialties products business in an earlier year, which the Company had disputed. As further 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. During the current year, a significant portion of the claims notified by Mylan has been settled. As explained in the Note, given the nature of the pending claims against the Company and considering the amount held in escrow account, the Company believes that any further outflow of resources is not probable and has made the disclosures under Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" in this regard.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report to the extent applicable that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements, read with Note 38.1 therein, comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   (e) In our opinion, any unfavourable outcome with regard to the matter referred to in Note 39.1 to the standalone financial statements resulting in 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 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone 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.

   iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the order" or "CARO 2016") 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)

Sathya P. Koushik
Partner
(Membership No. 206920)

BENGALURU, May 18, 2017

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (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 31 March 2017 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 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 31 March 2017, based on the internal 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)

Sathya P. Koushik
Partner
(Membership No. 206920)

BENGALURU, May 18, 2017

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the programme, fixed assets were physically verified by the Management. According to the information and explanations given to us no material discrepancies were noticed 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 land and building	Gross Block (₹ in million as at March 31, 2017)	Net Block (₹ in million as at March 31, 2017)	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 52.61 Acre	1,302.86	1,053.21	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 750 sq.ft.	3.55	1.30	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 provision of Section 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 been generally 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, 2017 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, 2017 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	Income Tax Appellate Tribunal	AY 2008-09	190.42 (net of tax paid under protest of 223.14)
The Income-Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2009-10	251.62 (net of tax paid under protest of 307.56)
The Income-Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2011-12	86.44 (net of tax paid under protest of 59.98)
Central Excise Act, 1944	Central Excise	Customs, Excise and Service Tax Appellate Tribunal	Various dates	4.74 (net of tax paid under protest of 0.01)
Central Excise Act, 1944	Central Excise	CCE (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	3.06 (net of tax paid under protest of 0.34)
Central Excise Act, 1944	Central Excise	CCE(Appeals)	Various dates	3.59
Central Excise Act, 1944	Central Excise	Customs, Excise and Service Tax Appellate Tribunal	Various dates	312.12 (net of tax paid under protest of 100.51)
The Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various dates	16.21 (net of tax paid under protest of 0.41)
The Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	Various dates	48.17 (net of tax paid under protest of 0.35)
The Finance Act, 1994	Service Tax	CIT (Appeals)	Various dates	1.73 (net of tax paid under protest of 0.25)
Andhra Pradesh Value Added Tax Act, 2005	Andhra Pradesh VAT	Appellate Deputy Commissioner of Commercial taxes	Various dates	2.01 (net of tax paid under protest of 0.28)
Maharashtra Value Added Tax Act, 2002	Maharashtra VAT	Joint Commissioner (Appeals)	2010-11	32.10 (net of tax paid under protest of 2.45)
Karnataka Value Added Tax Act, 2005	Karnataka VAT	High Court	2013-14	42.23 (net of tax paid under protest of 2.00)

(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) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(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-IA of the Reserve Bank of India Act, 1934.

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

Sathya P. Koushik
Partner
(Membership No. 206920)

BENGALURU, May 18, 2017

Balance Sheet

₹ In Million

		Note No.	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
A	**ASSETS**				
I	**Non-current assets**				
	(a) Property, plant and equipment	4	8,378.66	7,044.74	2,526.62
	(b) Capital work in progress		996.25	1,264.24	210.75
	(c) Investment property	5	700.72	740.26	776.40
	(d) Goodwill	6	749.90	749.90	-
	(e) Other intangible assets	7	2,109.08	2,041.15	641.99
	(f) Intangibles assets under development		581.22	536.64	180.24
	(g) Financial assets				
	(i) Investments	8(i)	13,191.82	12,339.18	4,071.69
	(ii) Loans	9(i)	350.85	182.08	42.69
	(iii) Other financial assets	10(i)	197.20	204.86	58.81
	(h) Deferred tax assets (net)	11	193.38	248.25	-
	(i) Income tax assets (net)	12(i)	1,042.10	898.37	746.53
	(j) Other non-current assets	13(i)	382.09	332.86	97.07
	Total non-current assets		**28,873.27**	**26,582.53**	**9,352.79**
II	**Current assets**				
	(a) Inventories	14	4,095.30	3,792.34	1,554.04
	(b) Financial assets				
	(i) Investments	8(ii)	12,795.38	11,390.99	5,995.17
	(ii) Trade receivables	15	5,406.85	6,923.99	2,560.14
	(iii) Cash and cash equivalents	16	877.70	873.25	660.29
	(iv) Other balances with banks	17	71.49	70.19	82.66
	(v) Loans	9(ii)	86.46	459.93	425.16
	(vi) Other financials assets	10(ii)	591.89	1,195.27	654.06
	(c) Income tax assets (net)	12(ii)	147.54	41.56	-
	(d) Other current assets	13(ii)	1,866.50	1,708.70	604.50
	Total current assets		**25,939.11**	**26,456.22**	**12,536.02**
	TOTAL ASSETS		**54,812.38**	**53,038.75**	**21,888.81**
B	**EQUITY AND LIABILITIES**				
I	**Equity**				
	(a) Equity share capital	18	894.23	893.46	596.16
	(b) Other equity	19	31,431.04	30,682.80	14,413.12
	Total Equity		**32,325.27**	**31,576.26**	**15,009.28**
II	**Liabilities**				
1	**Non-current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	20(i)	7,694.53	8,614.00	1,642.45
	(ii) Other financial liabilities	21(i)	212.98	192.45	168.03
	(b) Provisions	22(i)	179.23	101.44	54.79
	(c) Deferred tax liabilities (net)	11	-	-	145.86
	(d) Other non-current liabilities	23(i)	238.05	105.83	90.47
	Total non-current liabilities		**8,324.79**	**9,013.72**	**2,101.60**
2	**Current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	20(ii)	6,474.42	5,433.75	1,626.60
	(ii) Trade payables	24	4,705.64	4,971.67	1,886.25
	(iii) Other financial liabilities	21(ii)	2,421.41	1,732.35	939.69
	(b) Other current liabilities	23(ii)	411.68	224.50	94.18
	(c) Provisions	22(ii)	149.17	86.50	128.25
	(d) Current income tax liabilities	25	-	-	102.96
	Total current liabilities		**14,162.32**	**12,448.77**	**4,777.93**
	TOTAL EQUITY AND LIABILITIES		**54,812.38**	**53,038.75**	**21,888.81**

See accompanying notes forming part of the Standalone Financial Statements

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

Sathya P. Koushik
Partner

Bengaluru, May 18, 2017

For and on behalf of Board of Directors

Arun Kumar
Chairman

Shashank Sinha
Managing Director

Badree Komandur
Executive Director - Finance

Manjula R.
Company Secretary

Bengaluru, May 18, 2017

Statement of Profit and Loss

₹ In Million

		Note No.	For the year ended 31-Mar-17	31-Mar-16
A.	**Continuing operations:**			
1	Revenue from operations	26	21,097.98	22,216.29
2	Other income	27	1,761.37	1,088.85
3	**Total Income (1+2)**		**22,859.35**	**23,305.14**
4	**Expenses**			
	(a) Cost of materials consumed	28	8,556.76	11,889.25
	(b) Purchase of stock-in-trade	29	1,505.03	896.42
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(166.75)	35.16
	(d) Employee benefit expense	31	3,973.14	2,741.62
	(e) Finance costs	32	1,147.41	1,026.22
	(f) Depreciation and amortisation expense	33	1,266.30	1,026.86
	(g) Other expenses	34	4,411.56	3,955.24
	Total expenses		**20,693.45**	**21,570.77**
5	**Profit before exceptional items and tax (3-4)**		**2,165.90**	**1,734.37**
6	**Exceptional items gain / (loss) (net)**	35	(784.58)	(267.98)
7	**Profit before tax (5+6)**		**1,381.32**	**1,466.39**
8	**Tax expense**	36		
	(a) Current tax		118.36	274.21
	(b) Deferred tax		35.28	(127.15)
9	**Profit for the year from continuing operations(7-8)**		**1,227.68**	**1,319.33**
B.	**Discontinued operations:**	39.2		
10	Profit / (Loss) from discontinued operations		(31.08)	(17.33)
11	Gain/ (Loss) on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)		(111.23)	-
12	**Profit/ (Loss) before tax from discontinued operations**		**(142.31)**	**(17.33)**
13	Tax expense of discontinued operations		-	-
14	**Profit / (Loss) after tax from discontinued operations (12-13)**		**(142.31)**	**(17.33)**
C	**Total Operations**			
15	**Profit/ (Loss) for the year (9+14)**		**1,085.37**	**1,302.00**
16	**Other Comprehensive Income**			
	A) (i) Items that will not be reclassified to Statement of profit and loss		(143.96)	(4.95)
	(ii) Income tax relating to items that will not be reclassified to Statement of profit and loss		49.83	1.61
	B) (i) Items that may be reclassified to Statement of profit and loss		200.17	49.91
	(ii) Income tax relating to items that may be reclassified to Statement of profit and loss		(69.42)	(17.22)
	Total Other comprehensive Income		**36.62**	**29.35**
17	**Total Comprehensive Income for the year (15+16)**		**1,121.99**	**1,331.35**
18	**Earnings per equity share (of ₹ 10/- each) (from continuing operation)**	47		
	- Basic (₹)		13.74	15.98
	- Diluted (₹)		13.71	15.88
19	**Earnings per equity share (of ₹ 10/- each) (from discontinued operation)**	47		
	- Basic (₹)		(1.59)	(0.21)
	- Diluted (₹)		(1.59)	(0.21)
20	**Earnings per equity share (of ₹ 10/- each) (from total operations)**	47		
	- Basic (₹)		12.15	15.77
	- Diluted (₹)		12.12	15.67

See accompanying notes forming part of the Standalone Financial Statements

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

Sathya P. Koushik
Partner

Bengaluru, May 18, 2017

For and on behalf of Board of Directors

Arun Kumar
Chairman

Shashank Sinha
Managing Director

Badree Komandur
Executive Director - Finance

Manjula R.
Company Secretary

Bengaluru, May 18, 2017

Statement of Changes in Equity

for the Years ended March 31, 2017 and March 31, 2016

A) Equity share capital

₹ In Million

Particulars	Amount
Balance as at April 1, 2015	596.16
Changes in equity share capital during the year	
- Issued pursuant to employee stock option plans (refer note 43)	0.85
- Issued pursuant to the scheme of amalgamation (refer note 38.1)	210.17
- Issued pursuant to the qualified institutional placement (refer note 40)	86.28
Balance as at March 31, 2016	893.46
Changes in equity share capital during the year	
- Issued pursuant to employee stock option plans (refer note 43)	0.77
Balance as at March 31, 2017	894.23

B) Other equity

₹ In Million

Particulars	Note reference	Reserves and Surplus							Items of other comprehensive income		Total
		Capital reserve	Securities premium account		Capital redemption reserve	Share options outstanding account	General reserve	Retained earnings	Effective portion of cash flow hedge	Re - measurement of the defined benefit liabilities / (assets)	
			Securities premium	Reserve for Business Restructure (BRR)							
Balance as at April 1, 2015		225.60	6,013.74	3,846.38	551.61	21.98	3,365.00	329.61	59.20	-	14,413.12
Profit/loss for the year								1,302.00			1,302.00
Other comprehensive income for the year (net of tax)									32.69	(3.34)	29.35
Total comprehensive income		-	-	-	-	-	-	1,302.00	32.69	(3.34)	1,331.35
Pursuant to the scheme of amalgamation	38.1	3.00	1,381.78		50.00	7.98	471.44	1,913.53			3,827.73
Depreciation on transition to Schedule II of the Companies Act, 2013 on account of componentisation of items of Property Plant and Equipment (net of deferred tax)	4(vi)							(8.07)			(8.07)
Dividend (including tax on dividend)								(260.17)			(260.17)
Premium received on shares issued during the year	40		11,736.34								11,736.34
Share issue expenses			(326.66)								(326.66)
Transferred to Securities premium account on exercise of ESOPs			17.04			(17.04)					-
Employee stock compensation expenses	43					44.82					44.82
Excess of share capital issued by the Company over the capital of the Transferor company pursuant to the merger	38.1	(75.66)									(75.66)
Balance as at March 31, 2016		152.94	18,822.24	3,846.38	601.61	57.74	3,836.44	3,276.90	91.89	(3.34)	30,682.80
Profit/loss for the year								1,085.37			1,085.37
Other comprehensive income for the year (net of tax)									130.75	(94.13)	36.62
Total comprehensive income		-	-	-	-	-	-	1,085.37	130.75	(94.13)	1,121.99
Pursuant to business combinations	38.2	(29.27)									(29.27)
Dividend (including tax on dividend)								(432.26)			(432.26)
Premium received on shares issued during the year			33.08								33.08
Transferred to Securities premium account on exercise of ESOPs			23.89			(23.89)					-
Employee stock compensation expenses	43					54.70					54.70
Balance as at March 31, 2017		123.67	18,879.21	3,846.38	601.61	88.55	3,836.44	3,930.01	222.64	(97.47)	31,431.04

See accompanying notes forming part of the Standalone Financial Statements

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

Sathya P. Koushik
Partner

Bengaluru, May 18, 2017

For and on behalf of Board of Directors

Arun Kumar
Chairman

Shashank Sinha
Managing Director

Badree Komandur
Executive Director - Finance

Manjula R.
Company Secretary

Bengaluru, May 18, 2017

Statement of Cash flows

₹ In Million

	For the year ended 31-Mar-17	31-Mar-16
Cash flow from operating activities		
Net profit after tax	1,085.37	1,302.00
Adjustments for:		
- Tax expenses for the year	153.64	147.06
- Depreciation and amortisation expense	1,272.57	1,033.64
- (Profit) / loss on sale of assets / assets written off (net)	(129.20)	(0.98)
- (Gain)/ loss on sale of business	111.23	-
- Expenses on employee stock option plans	54.71	44.83
- Interest expense on borrowings	1,082.21	807.68
- Interest on delayed payment of income tax	-	2.96
- Interest received from banks / recovered from group companies	(90.03)	(62.16)
- Dividend income from group companies and from investment in mutual funds	(724.75)	(370.96)
- Fair valuation of investment in mutual funds	21.53	320.78
- Profit on sale of investments in mutual fund	-	(369.46)
- Profit/(loss) on sale of investment (net)	16.31	(126.21)
- Rental income from operating leases	(60.57)	(75.54)
- Liabilities / provisions no longer required written back	(7.21)	(46.58)
- Bad debts written off / provision for doubtful trade and other receivables	2.04	125.13
- Business combination and restructuring expenses	89.73	50.31
- Discounting of lease security deposits received	2.26	1.99
- Reversal of provision towards impairment of certain fixed assets	-	(4.05)
- Impairment of investments	18.70	-
- Write-off of assets under development and others	630.14	-
- Loss on account of derivative contracts	42.20	16.23
- Impact of aligning the accounting policies on merger (Refer note 38.1)	-	168.16
- Net unrealised exchange (gain) / loss	(397.01)	48.87
Operating profit before working capital changes	**3,173.87**	**3,013.70**
Changes in working capital:		
(Increase)/decrease in trade and other receivables	2,333.96	(1,973.87)
(Increase)/decrease in inventories	(1,063.17)	(123.27)
Increase/(decrease) in trade and other payables	42.26	397.20
(Increase)/decrease in margin money	(1.46)	10.64
Net change in working capital	**1,311.59**	**(1,689.30)**
Cash generated from operations	4,485.46	1,324.40
Direct taxes paid and others	(368.09)	(493.59)
Net cash flow from operating activities A	**4,117.37**	**830.81**
Cash flow from investing activities		
Capital expenditure on Property, plant and equipment, including capital advance	(3,303.23)	(1,645.01)
Proceeds from sale of Property, plant and equipment	922.20	27.84
Capital expenditure on Investment property	-	-
Proceeds from sale of Investment property	15.50	-
Capital expenditure on Intangible assets	(230.87)	(1,066.67)
Proceeds from sale of Intangible assets	199.33	-
Short-term investments in mutual funds (to the extent not considered as cash and cash equivalents)	(5,281.90)	(3,566.36)
Proceeds from sale of investment in mutual funds	3,855.98	3,925.86
Share application money paid to subsidiaries	-	(4,482.27)
Share application money refunded from subsidiaries	-	90.00
Purchase of long-term investments in subsidiaries	(1,148.20)	(3,139.33)
Purchase of long-term investments in others	-	(110.89)
Proceeds from sale of long-term investments	258.85	779.50
Net cash outflow from acquisition of business (Refer note 38.2)	(30.45)	(1,650.00)
Proceeds from sale of business division (Refer note 39.2)	76.00	-
Expenses relating to sale of long-term investments in subsidiaries	-	(3.29)
Capital gain tax paid on the sale of long term investments (Refer note 39)	-	(26.93)

Statement of Cash flows

₹ In Million

		For the year ended	
		31-Mar-17	31-Mar-16
Loan to others		(234.75)	(100.00)
Advance / loan given / repaid to subsidiaries		(99.96)	(1,122.03)
Advance / loan taken / repaid from subsidiaries		740.95	489.40
Interest and dividends received		851.84	975.93
Rental income from operating leases		57.46	66.83
Security deposits paid		7.65	-
Rent deposit received		(7.17)	-
Business combination and restructuring expenses		(89.73)	(81.56)
Net cash flow from investing activities	B	**(3,440.50)**	**(10,638.98)**
Cash flow from financing activities			
Proceeds from issue of equity shares		33.89	11,642.47
Share issue expenses		-	(326.66)
Proceeds from long-term borrowings		1,048.52	7,929.74
Repayment of long-term borrowings		(1,317.18)	(2,795.87)
Proceeds from / (repayment) of short-term borrowings		1,126.07	292.43
Dividends paid		(357.46)	(246.10)
Dividend distribution taxes paid (net of applicable taxes paid on dividend income from foreign subsidiaries)		(74.80)	(14.07)
Interest paid on borrowings		(1,131.43)	(773.51)
Net cash generated from financing activities	C	**(672.39)**	**15,708.43**
Net increase/(decrease) in cash and cash equivalents during the year	(A+B+C)	**4.48**	**5,900.26**
Cash and cash equivalents at the beginning of the year		8,188.41	2,640.46
Pursuant to the scheme of amalgamation (Refer note 38.1)		-	19.34
Effect of fair valuation of cash and cash equivalents		-	(371.64)
On account reclassification of cash and cash equivalents		(5,387.68)	
Cash and cash equivalents at the end of the year		**2,805.21**	**8,188.42**
Reconciliation of cash and cash equivalents with the Balance Sheet:			
Cash and cash equivalents as per balance sheet (Refer note 16)		877.70	873.25
Less: Balances in earmarked accounts not considered as cash and cash equivalents as defined in IND AS 7 ' Statement of Cashflows'			
Net cash and cash equivalents included in note 16		**877.70**	**873.25**
Add: Current investments considered as part of cash and cash equivalents as defined in IND AS 7 ' Statement of Cashflows' (Refer note 8(ii))		1,927.51	7,315.17
Net cash and cash equivalents at the end of the year*		**2,805.21**	**8,188.42**
*** Comprises:**			
Cash on hand		1.99	2.67
Balance with banks:			
- In current accounts		484.44	533.49
- In EEFC accounts		0.08	-
- In Escrow accounts		2.00	2.00
- In deposit accounts		354.17	332.24
- Funds-in-transit		35.02	2.85
Current investments considered as part of cash and cash equivalents		1,927.51	7,315.17
Total		**2,805.21**	**8,188.42**

See accompanying notes forming part of the Standalone Financial Statements

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

Sathya P. Koushik
Partner

Bengaluru, May 18, 2017

For and on behalf of Board of Directors

Arun Kumar
Chairman

Shashank Sinha
Managing Director

Badree Komandur
Executive Director - Finance

Manjula R.
Company Secretary

Bengaluru, May 18, 2017

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Note No. 1 General 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.

The standalone financial statements were approved by the Board of Directors and authorised for issue on May 18, 2017.

Note No. 2 Significant accounting policies

2.1 Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the then applicable Accounting Standards in India ('previous GAAP'). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 4 for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the Company.

2.2 Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for: - certain financial assets and liabilities (including derivative instruments), plan assets of the defined benefit plan and equity settled share based payments that are measured at fair values at the end of each reporting period;- certain fixed assets of the Company which were fair valued in earlier years (prior to transition date), based on scheme of arrangement approved by the High court of Judicature. However, as explained in note 3.6, for transition to Ind AS, the Company has elected to continue with the carrying value of such assets as of April 01, 2015 measured as per previous GAAP and use that carrying value as deemed cost as of transition date.

2.3 Business combinations

Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date (see note 2.10.2); and

- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business

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combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in statement of profit and loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date

2.4 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.3 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to cash-generating units. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which such goodwill arose.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

2.5.1 Sale of goods

Revenue from the sale of goods is recognised when the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods to the buyer as per the terms of arrangement with buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and

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- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale to Distributors

The Company appoints distributors in various territories who purchases the goods from the Company and thereafter sells them in the territory. In case the distributor is acting as an agent, the Company defers revenue recognition till the time goods are sold by the distributor to the end customer. On the other hand, if the distributor is principal, revenue is recognised upon the transfer of significant risks and rewards of ownership of the goods to the distributor.

Right to reject or return goods

The Company sells its products to the customers with a right to return the goods within the specified period of time. If the probability of acceptance by the customer is uncertain, recognition of revenue is deferred till the expiry of right to return or acceptance by the customer whichever is earlier.

Free samples

The Company distributes free samples to distributors, at various exhibitions and at medical conferences. The cost of samples distributed at exhibitions, medical conferences or to doctors directly are treated as marketing expense and clubbed under "Business Promotion Expense". However, free samples given to distributors (that are not acting as agents) is recognised as cost of goods sold. In case the free samples are not delivered at the same time as the related sales consignment, a reliable provision is made in this regard.

Price Variations / Incentives

Incentives are accounted based on the assessment of whether the beneficiary (of the incentive) is acting as a principal or an agent. Where the beneficiary is a principal, the incentive is regarded as consideration paid to the customer and is reduced from revenue. However, where the beneficiary is an agent, the incentive payment is recognised as an expense as the same is in the nature of commission.

Chargebacks / Reptos claims by the wholesalers / distributors and Price Protections

Chargebacks and reptos claims are estimated on the basis of the average trend of the past years and recognised as reduction to revenue.

2.5.2 Rendering of services

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 recognised 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 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

Income from rendering advisory / support services is recognised based on contractual terms.

2.5.3 Royalties

Share of profits and royalty incomes under manufacturing and supply agreements with customers are accrued based on confirmation received from customers.

2.5.4 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5.5 Rental income

The Company's policy for recognition of revenue from operating leases is described in note 2.6.1 below.

2.5.6 Export Incentives

Export incentives are accrued for based on fulfillment of eligibility criteria for availing the incentives and

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when there is no uncertainty in receiving the same. These incentives include estimated realisable values/ benefits from special import licenses and benefits under specified schemes as applicable.

2.6 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.6.1 The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.6.2 The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the standalone balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 2.8 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.7 Foreign currencies transactions and translation

The functional currency of the Company is the Indian Rupee (₹).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

2.8 Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

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Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

2.9 Employee benefits

2.9.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefit expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the standalone balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.9.2 Defined contribution plan

Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

2.9.3 Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2.9.4 Long term Incentive Plans

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.

2.10 Share-based payment arrangements

2.10.1 Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

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The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.10.2 Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Company's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with Ind AS 102 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Company replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with Ind AS 102. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

2.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.11.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

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2.11.3 Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.12 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Freehold land is not depreciated.

The non refundable payments made with respect to Land taken on finance lease (where there is an option to purchase the same at the end of the lease period) is classified under Property, plant and Equipment as "Lease hold Land".

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed to be different and are as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

When an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, the cost of that item is measured at fair value (even if the entity cannot immediately derecognise the asset given up) unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.13 Investment property

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied

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by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property are depreciated using the straight line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

For transition to Ind AS, the Company has elected to continue with the carrying value of its investment property recognised as at April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties as of the transition date.

2.14 Intangible assets

2.14.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.14.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.14.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.14.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

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2.14.5 Useful lives of intangible assets

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

Registration and Brands	:	10 years to 25 years
Software Licenses	:	5 years

2.14.6 Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.15 Impairment of assets

2.15.1 Impairment of financial assets:

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

2.15.2 Impairment of investment in subsidiaries, associates and joint ventures

The Company reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

2.15.3 Impairment of goodwill

Refer note 2.4.

2.15.4 Impairment of non-financial assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

2.16 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Cost is determined as follows:

Raw materials, packing materials and consumables: weighted average basis

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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

2.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.17.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.17.2 Restructurings

A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

2.17.3 Contingent liabilities

Contingent liabilities are disclosed in notes when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

2.17.4 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.18 Financial instruments

2.18.1 Investment in subsidiaries, associates and joint ventures

The Company has accounted for its investments in subsidiaries, associates and joint ventures at cost less impairment.

2.18.2 Other financial assets and financial liabilities

Other financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:

Other financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Subsequent measurement:

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Financial assets at fair value through other comprehensive income
Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss
Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Financial liabilities
Financial liabilities are measured at amortised cost using effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.18.3 Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

2.18.4 Financial guarantee contracts

The Company enters into financial guarantee contracts with its subsidiaries. At the inception of a financial guarantee contract, a liability is recognized initially at fair value and then subsequently at the higher of the estimated loss and amortized cost, the changes in subsequent measurement being recognised in the Statement of Profit and Loss. Where a guarantee is issued for a consideration, a financial asset of an amount equal to the liability is initially recognized at amortized cost. Where a guarantee is issued for no consideration, the fair value is recognized as additional investment in the entity to which the guarantee relates

2.18.5 Derivative financial instruments and hedge accounting

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps and forward contracts to mitigate the risk of changes in interest rates and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to the Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

a) Cash flow hedge
The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

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b) Fair value hedge
The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

2.19 Exceptional items
The Company 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 long-term foreign currency loans;

(b) 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;

(c) Profit / loss arising on account of discontinuance of products / development activities; and

(d) Restructuring cost

2.20 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.

2.21 Operating Cycle
As mentioned in para 1 above under 'Corporate information', the Company is into development and manufacture of pharmaceutical products. Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 3 years to 5 years and 12 months relating to research and development activities and manufacturing of pharmaceutical products respectively. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

2.22 Key sources of estimation uncertainty
In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.22.1 Impairment of non-financial assets
Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

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2.22.2 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.22.3 Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

2.22.4 Employee Benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

2.22.5 Share Based Compensation to Employees

The Company has granted share based payment plans to its employees. Valuation models are used to calculate the expense for such share-based compensation to employees. These models require a number of assumptions to be made as input. These include financial assumptions as well as various assumptions around individual employee behaviour.

2.22.6 Litigations

As explained in note 39.1, the Company is a party to certain commercial disputes and has also received notification of claims for significant amounts. There are number of factors that may affect the ultimate outcome in respect of this matter and accordingly, it is difficult to assess the impact of these disputes with accuracy.

2.23 Standards / amendments not yet effective

In March 2017, the Ministry of Corporate affairs issued the Companies (Indian Accounting standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7 "Statement of Cash flows" and Ind AS 102 "Share Based Payments". The said amendments are effective from April 1, 2017. Among the said amendments, only the amendment to Ind AS 7 "Statement of cash flows" is relevant to the company.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate the changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash flows. The said amendment suggests inclusion of reconciliation of closing balance of liabilities arising from finance activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the company.

Note No. 3 First-time adoption – mandatory exceptions, optional exemptions

3.1 Overall principle

The Company has prepared the opening standalone balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

3.2 Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

3.3 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

3.4 Share-based payment transactions

Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of

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transition to Ind AS. The Company has elected not to apply Ind AS 102 to options that vested prior to April 1, 2015.

3.5 Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015. Consequently,

- The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the standalone balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the standalone balance sheet of the acquiree;
- The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

3.6 Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all items of its plant and equipment, investment property, and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.7 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Reconciliation of total equity as at March 31, 2016 and April 1, 2015

₹ in Million

Particulars	Notes	As at March 31, 2016 (End of last period presented under previous GAAP)	As at April 01, 2015 (Date of transition)
Total equity (shareholders' funds) under previous GAAP		**31,354.09**	**14,744.23**
Measurement of financial instruments at fair value through profit or loss	a	61.51	382.29
Dividends not recognised as liability until declared under Ind AS	b	432.18	178.85
Recognition of derivative liability on written Put options	c	(149.67)	(133.44)
Recognition of deferred taxes using the balance sheet approach under Ind AS	d	(48.42)	(31.20)
Other adjustments (including deferred tax effect (net) on Ind AS adjustments wherever applicable)		(73.42)	(131.46)
Total adjustment to equity		222.18	265.04
Total Equity under Ind AS		31,576.27	15,009.27

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Reconciliation of total comprehensive income for the year ended March 31, 2016

₹ In Million

Particulars	Notes	Statement of Profit and loss	Other comprehensive Income	Total comprehensive Income
Profit under previous GAAP as reported		**1,610.72**	**-**	**1,610.72**
IND AS adjustments:				
Measurement of financial instruments at fair value through profit or loss	a	(320.78)	-	(320.78)
Fair value changes on Put option contracts	c	(16.23)	-	(16.23)
Actuarial gains/ losses through OCI	f, g	4.95	(4.95)	-
Unrealised gain/ (loss) on cash flow hedges through OCI	g	-	49.91	49.91
Other adjustments (including deferred tax effect (net) on Ind AS adjustments wherever applicable)		23.34	(15.61)	7.73
Profit as per IND AS (attributable to the owners of the Company)		**1,302.00**	**29.35**	**1,331.35**

Explanation of material adjustments to Statement of Cash Flows:

There are no material differences between the statement of cash flows presented under Ind AS and the previous GAAP except due to various re-classification adjustments recorded under Ind AS and difference in the definition of cash and cash equivalents under these two GAAPs.

Notes to the reconciliations

a) Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition. The fair value changes are recognised in the the statement of profit and loss

On transitioning to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per previous GAAP, resulting in an increase in carrying amount by ₹ 61.51 Million as at March 31, 2016 and by ₹ 382.29 Million as at April 1, 2015.

Accordingly, there is increase in total equity as at March 31, 2016 of ₹ 61.51 Million (As at April 01, 2015: ₹ 382.29 Million) and decrease in profit for the year ended March 31, 2016 of ₹ 320.78 Million.

b) Under previous GAAP, dividends on equity shares recommended by the board of directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when authorised by the members in a general meeting. Accordingly, the liability for proposed dividend of ₹ 432.18 million as at March 31, 2016 (₹ 178.85 million as at March 31, 2015) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

c) As per Ind AS 109, the company needs to account for the derivative over shares of another entity at it's fair value. The company had issued written put option to a third party with respect to the shares held by such party in one of the subsidiaries of the company

Complying with the Ind AS requirement, the company has fair valued such put option and recognised liability of ₹ 149.67 million (₹ 133.44 million as at April 1, 2015) towards the same. Consequently, the equity has decreased by ₹ 149.67 million as at March 31, 2016 (₹ 133.44 million as at April 1, 2015) and profit for the year ended March 31, 2016 decreased by ₹ 16.23 million.

d) Under Ind AS, deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Consequently, the deferred tax impact on hedging reserves has been recognised in Other comprehensive Income. Accordingly, there is a decrease in total equity as at March 31, 2016 of ₹ 48.42 million (₹ 31.20 million as at April 1, 2015), and decrease in total profit for the year ended March 31, 2016 of ₹ 17.22 million.

f) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurernent of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under lnd AS instead of the statement of profit and loss.

The actuarial loss for the year ended March 31, 2016 were ₹ 4.95 Million and the tax effect thereon is ₹ 1.61 Million. This change does not affect total equity, but there is a increase in profit before tax of ₹ 4.95 Million and in total profit of ₹ 3.34 Million for the year ended March 31, 2016.

g) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.

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Note No. 4 Property, plant and equipment

₹ In Million

Particulars	Gross block					Depreciation					Net block	
	As at 01-Apr-16	Additions on account of merger/ Business combination (Refer Note 38)	Additions	Disposals (Refer Note (vii) below)	As at 31-Mar-17	As at 01-Apr-16	Depreciation expense	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss (Refer Note (vi) below)	Disposals (Refer Note (vii) below)	Upto 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
Land:												
- Freehold	868.30	-	1.00	18.58	850.72	-	-	-	-	-	850.72	868.30
	(770.43)	(95.65)	(2.22)	-	(868.30)	-	-	-	-	-	(868.30)	(770.43)
- Leasehold (Refer note (iii) below)	48.13	-	-	-	48.13	-	-	-	-	-	48.13	48.13
	(48.13)	-	-	-	(48.13)	-	-	-	-	-	(48.13)	(48.13)
Buildings	1,777.25	-	473.32	7.91	2,242.66	93.18	109.84	-	0.66	202.36	2,040.30	1,684.07
	(430.69)	(1,032.00)	(355.25)	(40.69)	(1,777.25)	-	(93.33)	-	(0.15)	(93.18)	(1,684.07)	(430.69)
Plant and equipments	4,596.46	-	1,666.56	53.43	6,209.59	564.72	678.54	-	21.01	1,222.25	4,987.34	4,031.74
	(1,150.85)	(2,923.45)	(673.67)	(151.51)	(4,596.46)	-	(580.91)	(12.34)	(3.85)	(564.72)	(4,031.74)	(1,150.85)
Furniture and fixtures	104.88	-	32.00	3.63	133.25	18.20	20.69	-	1.65	37.24	96.01	86.68
	(66.89)	(26.29)	(12.34)	(0.64)	(104.88)	-	(18.45)	-	(0.25)	(18.20)	(86.68)	(66.89)
Vehicles	43.72	-	15.48	6.11	53.09	7.03	8.22	-	1.70	13.55	39.54	36.69
	(19.34)	(21.90)	(23.26)	(20.78)	(43.72)	-	(10.13)	-	(3.10)	(7.03)	(36.69)	(19.34)
Office equipments	364.61	-	131.87	1.26	495.22	75.48	103.83	-	0.71	178.60	316.62	289.13
	(40.30)	(125.67)	(200.83)	(2.19)	(364.61)	-	(75.68)	-	(0.20)	(75.48)	(289.13)	(40.30)
Total	**7,803.35**	**-**	**2,320.23**	**90.92**	**10,032.66**	**758.61**	**921.12**	**-**	**25.73**	**1,654.00**	**8,378.66**	**7,044.74**
Previous year	**(2,526.63)**	**(4,224.96)**	**(1,267.57)**	**(215.81)**	**(7,803.35)**	**-**	**(778.50)**	**(12.34)**	**(7.55)**	**(758.61)**	**(7,044.74)**	**(2,526.62)**

Notes:

(i) Figures in brackets relate to previous year.

(ii) The above assets other than to the extent mentioned in notes (iii), (iv), and (v) below, are owned by the company.

(iii) In 2008, the Company had entered into a lease cum sale agreement with Karnataka Industrial Area Development Board for purchase of land under a lease cum sale agreement 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.

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

₹ In Million

Particulars	Gross block			Net block		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Vehicles	32.80	25.18	16.97	25.75	20.60	9.73
Total	32.80	25.18	16.97	25.75	20.60	9.73

(v) Details of assets taken on finance lease:

₹ In Million

Particulars	Gross block			Net block		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Office equipments	87.99	87.99	-	57.16	74.77	-
Total	87.99	87.99	-	57.16	74.77	-

(vi) In the previous year, the Company had 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.

(vii) Disposals include disposal of assets relating to discontinued operations referred to in Note 39.2 for amount of ₹ 42.90 Million(net).

(viii) Refer note 20(i) for properties pledged as security towards borrowings.

Note No. 5 Investment property

₹ In Million

Particulars	Gross block					Accumulated depreciation			Net block	
	As at 01-Apr-16	Additions on account of merger/ Business combination (refer note 38.1)	Additions	Disposals	As at 31-Mar-17	As at 01-Apr-16	Depreciation expense	As at 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
Land	118.66	-	-	0.71	117.95	-	-	-	117.95	118.66
	(115.96)	*(2.70)*	-	-	*(118.66)*	-	-	-	*(118.66)*	*(115.96)*
Building	660.44	-	-	-	660.44	38.84	38.83	77.67	582.77	621.60
	(660.44)	-	-	-	*(660.44)*	-	*(38.84)*	*(38.84)*	*(621.60)*	*(660.44)*
Total	779.10	-	-	0.71	778.39	38.84	38.83	77.67	700.72	740.26
Previous year	*(776.40)*	*(2.70)*	-	-	*(779.10)*	-	*(38.84)*	*(38.84)*	*(740.26)*	*(776.40)*

Notes:

(i) Figures in brackets relate to previous year.

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

₹ In Million

Particulars	Gross block			Net block		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Freehold Land	115.96	115.96	115.96	115.96	115.96	115.96
Buildings	660.44	660.44	660.44	582.77	621.60	660.44
Total	776.40	776.40	776.40	698.73	737.56	776.40

(iii) Details of assets held for capital appreciation and not given under lease:

₹ In Million

Particulars	Gross block			Net block		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Freehold Land	1.99	2.70	-	1.99	2.70	-
Total	1.99	2.70	-	1.99	2.70	-

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(iv) Fair Value of investment properties

"The Company obtains independent valuations for its investment properties once in three years. Accordingly, the fair value of the Company's investment properties as at March 31, 2017 has been arrived at ₹ 830.53 Million on the basis of a valuation carried out by independent valuers not related to the Company. The said valuers are registered with the authority which governs the valuers in India and have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations. The inputs used are as follows:

- Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property; and

- Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

(v) Refer note 20(i) for properties pledged as security towards borrowings.

Note No. 6 Goodwill

₹ In Million

	As at April 1, 2016	Additions on account of merger/ Business combination (refer note 38.2)	Derecongised on disposal	Impairment loss recognised in the year	As at March 31, 2017
Goodwill	749.90	-	-	-	749.90
	-	(749.90)	-	-	(749.90)
Total	**749.90**	**-**	**-**	**-**	**749.90**
Previous year	**-**	**(749.90)**	**-**	**-**	**(749.90)**

Notes:

(i) Figures in brackets relate to previous year.

(ii) Allocation of goodwill to cash generating units:

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

- Regulated Markets
- Emerging Markets

Before recognition of impairment losses, the carrying amount of goodwill (other than goodwill related to discontinued operations) was allocated to cash-generating units as follows:

₹ In Million

Cash generating units	31-Mar-17	31-Mar-16	01-Apr-15
Regulated Markets	-	-	-
Emerging Markets	749.90	749.90	-
Total	**749.90**	**749.90**	**-**

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which use cash flow projections based on financial budgets covering a five year period and a discount rate of 15.77 % per annum (as at March 31. 2016: 15.77% per annum). The cash flows beyond five-year period have been extrapolated using a steady 2% per annum growth rate.

There is no change in the above said assumptions as compared to that of previous years'.

The management believes that the projections used by the management for determining the "Value in use" of cash generating units reflect past experience and external sources of information and any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

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Note No. 7 Other intangible assets

₹ In Million

Particulars	Gross block					Accumulated amortisation				Net block	
	As at 01-Apr-16	Additions on account of merger/ Business combination (refer note 38)	Additions	Disposals	As at 31-Mar-17	As at 01-Apr-16	Amortisation expense	Disposals	Upto 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
- Internally generated:											
- Registrations	115.91	-	60.41	54.18	122.14	40.05	35.81	19.68	56.18	65.96	75.86
and brands	(78.72)	-	(37.19)	-	(115.91)	-	(40.05)	-	(40.05)	(75.86)	(78.72)
- Others:											
- Registrations	1,996.39	-	30.07	0.36	2,026.10	128.15	203.03	0.15	331.03	1,695.07	1,868.24
and brands	(473.81)	(901.05)	(622.21)	(0.68)	(1,996.39)	-	(128.43)	(0.28)	(128.15)	(1,868.24)	(473.81)
- Software and	143.37	-	324.80	0.05	468.12	46.32	73.78	0.03	120.07	348.05	97.05
licenses	(89.46)	(6.04)	(49.37)	(1.50)	(143.37)	-	(47.82)	(1.50)	(46.32)	(97.05)	(89.46)
Total	2,255.67	-	415.28	54.59	2,616.36	214.52	312.62	19.86	507.28	2,109.08	2,041.15
Previous year	(641.99)	(907.09)	(708.77)	(2.18)	(2,255.67)	-	(216.30)	(1.78)	(214.52)	(2,041.15)	(641.99)

Notes:

(i) Figures in brackets relate to previous year.

Note No. 8 Investments

Investments consist of the following:

(i) Investments - Non-current

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
(A) Investments in subsidiaries: (Carried at cost)			
Equity shares, unquoted			
- 21,188,445 (As at March 31, 2016: 12,361,081, As at April 1, 2015: 12,361,081) shares of GBP 1 each fully paid up in Strides Arcolab International Limited, UK	2,544.46	966.12	966.12
- 438,000 (As at March 31, 2016: 438,000, As at April 1, 2015: 438,000) shares of USD 1 each fully paid up in Strides Pharma International Limited, Cyprus	23.13	23.13	23.13
- 100 (As at 31 March, 2016: 100, As at April 1, 2015: 100) shares of SGD 1 each fully paid up in Strides Pharma Asia Pte Limited, Singapore	26.68	26.68	26.68
- (As at 31 March, 2016: 208,326, As at April 1, 2015: 208,326) shares of ₹ 10 each fully paid up in Stelis Biopharma Private Limited, India (formerly Inbiopro Solutions Private Limited) (Refer note (ii) below)	-	906.55	906.55
- 3,206,665 (As at March 31, 2016: 3,206,665, As at April 1, 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	481.10
- NIL (As at 31 March, 2016: 522,490, As at April 1, 2015 : Nil) shares of ₹ 10 each fully paid up in Strides Biologix Private Limited, India (Refer note (iv) below)	-	52.30	-
- 10,000 (As at 31 March, 2016: Nil) shares of ₹ 10 each fully paid up in Strides Consumer Private Limited, India	0.10	-	-
- 10,000 (As at 31 March, 2016: Nil) shares of ₹ 10 each fully paid up in Solara Active pharma Sciences Limited, India	0.10	-	-
- 15,000 (As at 31 March, 2016: 15000, As at April 1, 2015: Nil) shares of USD 1 each fully paid up in Shasun USA Inc., USA (Refer note 38.1)	0.54	0.54	-
- 3,362,745 (As at March 31, 2016: 3,362,745, As at April 1, 2015: Nil) shares of ₹ 10 each fully paid up in Chemsynth Laboratories Private Limited, India (Refer note 38.1)	33.63	33.63	-

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₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
- 12,788,136 (As at March 31, 2016: 12,788,136, As at April 1, 2015: Nil) shares of CHF 1 each fully paid up in SVADS Holdings SA, Switzerland (Refer note 38.1)	466.59	466.59	-
- 1,040,000 (As at 31 March, 2016: 90,000, As at April 1, 2015: 90,000) shares of ₹ 10 each fully paid up in Fagris Medica Private Limited, India (Refer note 38.2)	18.70	9.20	9.20
Less: Provision for diminution in value of investments (Refer note (i) below)	(18.70)	-	-
Preference Shares, unquoted	-	-	-
- 158616 (As at March 31, 2016: 78,665, As at April 1, 2015: 10,966) Optionally redeemable preference shares of SGD 1,000 each fully paid up in Strides Pharma Asia Pte Limited, Singapore	7,559.97	3,593.49	506.47
Share application money			
- Strides Pharma Asia Pte Limited, Singapore	784.80	3,966.48	1,152.44
- Strides Arcolab International Limited, UK	-	1,578.34	-
Total [A]	11,921.10	12,104.15	4,071.69
(B) Investments in associates: (Carried at cost)			
Equity shares, unquoted			
- 251,527 shares of ₹ 10 each fully paid up in Stelis Biopharma Private Limited, India (formerly Inbiopro Solutions Private Limited) (Refer note (ii) below)	1,258.55	-	-
Preference shares, unquoted			
- Nil (As at March 31, 2016: 3,734,074 , As at April 1, 2015: Nil) shares of USD 0.001 each fully paid up in Aponia Laboratories Inc, USA (Refer note (iii) below)	-	221.07	-
Total [B]	1,258.55	221.07	-
(C) Investments in joint ventures: (Carried at cost)			
Equity shares, unquoted			
- 1,312,500 (As at March 31, 2016: 1,312,500, As at April 1, 2015: Nil) shares of USD 1 each fully paid up in Shasun NBI LLC, USA (Refer note 38.1)	63.88	63.88	-
Less: Provision for diminution in value of investments	(63.88)	(63.88)	-
Total [C]	-	-	-
(D) Other Investments (Carried at amortised cost)			
Equity shares, unquoted			
- 828,675 (As at March 31, 2016: 884,675, As at April 1, 2015 : Nil) shares of ₹ 10 each fully paid up in Clarion Wind Farm Private Limited, India (Refer note 38.1)	8.29	8.85	-
- 110,870 (As at March 31, 2016: 175,870, As at April 1, 2015: Nil) shares of ₹ 10 each fully paid up in Beta Wind Farm Private Limited, India (Refer note 38.1)	2.11	3.34	-
- 45,000 (As at March 31, 2016: 45,000, As at April 1, 2015: Nil) shares of ₹ 10 each fully paid up in Tulysan Lec Limited, India (Refer note 38.1)	1.35	1.35	-
- 4,242 (As at March 31, 2016: 4,242, As at April 1, 2015 : Nil) shares of ₹ 100 each fully paid up in SIPCOT Industrial Common Utilities Limited, India (Refer note 38.1)	0.42	0.42	-
Total [D]	12.17	13.96	-
Total [A+B+C+D]	13,191.82	12,339.18	4,071.69
Aggregate amount of unquoted investments	13,191.82	12,339.18	4,071.69
Aggregate amount financial assets carried at cost	13,179.65	12,325.22	4,071.69
Aggregate amount financial assets carried at amortised cost	12.17	13.96	-

Note (i) :- During the current year, the Company acquired the business of its wholly owned subsidiary Fagris Medica Private Limited (Fagris), on slump sale, as per the terms of business transfer agreement dated February 7,2017. The difference between the assets acquired and consideration paid has been debited to Capital reserve. Pursuant to the business acquisition, the investment in Fagris has been fully impaired and the resulting impairment loss has been recognised in the Statement of Profit and Loss under Exceptional Items.

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Note (ii) :- Stelis Biopharma Private Limited (Stelis) until March 31, 2016 was assessed to be a subsidiary of the Company, as the Company ("Strides") had control over its operations. The shareholding pattern as at March 31, 2016 was Strides 74.9% and GMS 25.1%. However on March 31, 2017 Stelis, in order to meet its funding requirements, entered into an agreement with the Company, Tenshi Life Sciences Private Limited (Tenshi), (a promoter group company), and the GMS group, under which the parties agreed that any further funding that Stelis needs for its growth, would be funded by Tenshi and GMS group and that Strides would not be required to make any further investments into Stelis. The arrangement also envisaged that, over a period of time, the Company will eventually hold a significant non controlling interest only in Stelis. Tenshi and GMS will have the rights to appoint majority of the directors and the Company shall have right to appoint only one director. As the Company does not have majority representation on the board, where decisions with respect to relevant activities will be taken, the directors have concluded that the Company has no longer holds control over Stelis. However, as Strides has representation on the board and holds more than 20% share capital with voting rights, Stelis is assessed to be associate of the Company pursuant to the above arrangement.

Note (iii) : In the current year , the Company sold its investment in Aponia Laboratories Inc, USA having a carrying value of ₹ 221.07 Million to Strides Acrolab International Limited, UK, a wholly-owned subsidiary of the Company, for a consideration of USD 3.45 Million (₹ 230.06 Million). Profit arising on such sale of investment amounting to ₹ 8.99 Million has been recognised in the Statement of Profit and Loss under Exceptional Items.

Note (iv) : During the previous year ended March 31, 2016, the Company invested ₹ 52.30 Million in Strides Biologix Private Limited (Biologix), India, for 51% stake in its equity shares. Biologix was set-up as an SPV which acquired the domestic Branded Business of Medispan Limited which is engaged in sales and marketing of niche Probiotics products. In the current year, the Company sold its investment in Biologix along with the put option liability attached thereto having a carrying value of ₹ 52.30 Million, for a consideration of ₹ 27.00 Million (net of loss amounting ₹ 24.00 Million on account of disposal of put option). Loss arising on such sale of investment amounting to ₹ 25.30 Million which also includes the loss arising on account of disposal of the aforesaid put option of ₹ 24.00 Million have been recognised in the Statement of Profit and Loss under Exceptional Items.

(ii) Investments - Current

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Quoted Investments			
Investment in mutual funds:			
Investments measured at Fair Value through Profit or Loss:			
- Reliance Liquid Fund - Treasury Plan - Daily dividend option (Units As at March 31, 2017 - 299,932.22, As at March 31, 2016 - 2,180,630.23, As at April 1, 2015 - 487,513.147)	458.52	3,333.62	745.28
- Reliance Floating Rate Fund - Short Term Plan - Growth Plan (Units As at March 31, 2017: 12,382,228.616, As at March 31, 2016: Year 12,382,228.616, As at April 1, 2015: 20,332,228.616)	318.86	293.79	447.56
- Reliance Floating Rate Fund - Short Term Plan - Direct Monthly Dividend Plan (Units As at March 31, 2017: 93,906,412.869, As at March 31, 2016: 93,906,412.869, As at April 1, 2015: Nil)	1,018.65	1,003.08	-
- Reliance Banking & PSU Debt Fund - Direct Monthly Dividend Plan (Units As at March 31, 2017: 361,213,176.255, As at March 31, 2016:146,815,570.281, As at April 1, 2015:Nil)	3,715.22	1,504.36	-
- Reliance Fixed Horizon Fund - XXV - Series 17 - Direct Plan Growth Plan (Units As at March 31, 2017: Nil, As at March 31, 2016:Nil, As at April 1, 2015:75,000,000) of ₹ 10/- each	-	-	835.10
- Reliance Fixed Horizon Fund - XXVI - Series 33 - Direct Plan Growth Plan (Units As at March 31, 2017: Nil, As at March 31, 2016:Nil, As at April 1, 2015: 15,000,000) of ₹ 10/- each	-	-	160.02
- Reliance Fixed Horizon Fund - XXVI - Series 5 - Direct Plan Growth Plan (Units As at March 31, 2017:Nil, As at March 31, 2016: Nil, As at April 1, 2015: 30,000,000) of ₹ 10/- each	-	-	328.31
- Reliance Floating Rate Fund - Short Term Plan - Direct Daily - Dividend Reinvestment (Units As at March 31, 2017:93,132,496.994, As at March 31, 2016: Nil, As at April 1, 2015: Nil)	942.50	-	-

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₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
- Tata Liquid Fund Direct Plan - Daily dividend (Units As at March 31, 2017:Nil, As at March 31, 2016: 43.032, As at April 1, 2015: 40.785)	-	0.05	0.05
- Tata Fixed Maturity Plan Series 46 Scheme K - Direct Plan - Growth (Units As at March 31, 2017: Nil, As at March 31, 2016: Nil, As at April 1, 2015: 25,000,000)	-	-	277.85
- Tata Fixed Maturity Plan Series 47 Scheme D - Direct Plan - Growth (Units As at March 31, 2017: Nil, As at March 31, 2016: Nil, As at April 1, 2015: 15,000,000)	-	-	164.53
- IDFC Cash Fund - Daily Dividend - Direct Plan (Units As at March 31, 2017: Nil, As at March 31, 2016: Nil, As at April 1, 2015:104,370.342)	-	-	104.43
- IDFC Fixed Term Plan Series 88 Direct Plan -Growth (372 Days) (Units As at March 31, 2017: Nil, As at March 31, 2016: Nil, As at April 1, 2015: 20,000,000)	-	-	218.65
- L&T Fixed Maturity Plan Series 10 - Plan S - Direct Growth (Units As at March 31, 2017: Nil, As at March 31, 2016: Nil, As at April 1, 2015: 50,000,000)	-	-	546.84
- Religare Invesco Fixed Maturity Plan- Sr. 23 - Plan G (376 Days) - Direct Plan Growth (Units As at March 31, 2017: Nil, As at March 31, 2016: Nil, As at April 1, 2015: 10,000,000)	-	-	109.24
- IDFC Super Saver Income Fund - Short Term Plan - Monthly Dividend - Direct Plan (Units As at March 31, 2017: 36,056,652.212, As at March 31, 2016: Nil, As at April 1, 2015:Nil)	374.42	-	-
- L&T Liquid Fund Direct Plan - Daily Dividend Reinvestment Plan (Units As at March 31, 2017:22,519.449, As at March 31, 2016: Nil, As at April 1, 2015: Nil)	22.81	-	-
- SBI Premier Liquid Fund - Direct Plan - Daily dividend option (Units As at March 31, 2017: 585,330.993, As at March 31, 2016: Nil, As at April 1, 2015: 290,602.913)	587.23	-	291.55
- ICICI Prudential Liquid - Direct Plan - Daily Dividend (Units As at March 31, 2017: 5,386,201.904 As at March 31, 2016: 27,486,846.869, As at April 1, 2015: 6,711,986.703)	538.99	2,750.57	671.58
- ICICI Prudential Fixed Maturity Plan series 73 - 378 Days Plan O Direct Plan Cumulative (Units As at March 31, 2017:Nil, As at March 31, 2106: Nil, As at April 1, 2015 50,000,000)	-	-	547.29
- ICICI Prudential Ultra Short Term - Direct Plan - Daily Dividend (Units As at March 31, 2017: 105,412,659.519, As at March 31, 2016: 99,109,760.030, As at April 1,2015: Nil)	1,065.34	1,001.64	-
- ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Daily Dividend (Units As at March 31, 2017: 362,093,006.272 As at March 31, 2016: 145,288,300.421, As at April 1, 2015: Nil)	3,752.84	1,503.88	-
- HDFC Fixed Maturity Plan 378 Days Mar 2014-1-Direct-Growth (Units As at March 31, 2017:Nil, As at March 31, 2016:Nil, As at April 1, 2015: 25,000,000)	-	-	273.52
- Birla Sun Life Fixed Term Plan-Series KW-Gr. Direct - Reinvestment (Units As at March 31, 2017: Nil, As at March 31, 2016: Nil, As at April 1: 25,000,000)	-	-	273.37
Total	**12,795.38**	**11,390.99**	**5,995.17**
Current investments offered as security towards borrowings	10,867.87	4,075.82	4,397.29
Current investments in the nature of 'Cash and cash equivalents' considered as part of cash and cash equivalents in the Statement of Cash Flows	1,927.51	7,315.17	1,597.88
Note (i): Details of security offered to:			
- Borrowing availed by the Company (Refer note 20)	10,867.87	4,075.82	4,397.29

The market value of quoted investments is equal to the carrying value.

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Note No. 9 Loans

Loans (unsecured) consist of the following:

(i) Non-current loans

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Considered good: (at amortised cost)			
Recoverable from:			
- Employees	0.85	10.62	-
- Related parties (Refer note 45)	-	66.61	42.69
- Other parties	350.00	104.85	-
Considered doubtful:			
- Suppliers:	-	-	11.09
- Less: Provision for doubtful loans	-	-	(11.09)
	-	-	-
Total	350.85	182.08	42.69

(ii) Current loans

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Considered good:			
Recoverable from:			
- Employees	60.98	51.09	8.99
- Related parties (Refer note 45)	25.48	408.84	416.17
Total	86.46	459.93	425.16

Note No. 10 Other financial assets

Other financial assets consist of the following:

(i) Non-current financial assets

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Security deposits	197.20	204.86	58.81
Total	197.20	204.86	58.81

Non-current financial assets include amounts due from:

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Firms in which any director is a partner			
- Atma Projects (security deposit given)	50.13	50.13	6.29
Total	50.13	50.13	6.29

(ii) Current financial assets

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Unsecured, considered good:			
Receivables from related parties (Refer note 45)	137.90	964.99	-
Interest accrued on deposit	0.78	2.21	0.76
Interest accrued on Loans and advances given	32.47	63.25	-
Mark to market gain on foreign exchange forward contracts	384.90	139.72	90.40
Others:			
- Dividend receivables	-	-	562.46
- Gratuity claim receivable	5.28	0.94	0.44
- Insurance claim receivable	24.12	24.16	-
- Others	6.44	-	-
Total	591.89	1,195.27	654.06

Notes

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Note No. 11 Deferred tax balances

₹ In Million

Particulars	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Deferred tax assets	1,090.55	877.50	147.66
Deferred tax liabilities	(897.17)	(629.25)	(293.53)
Deferred tax assets/ (liabilities) (net)	**193.38**	**248.25**	**(145.86)**

₹ In Million

2016-2017	Opening balance	Acquisitions/ disposals	Recognised in statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Cash flow hedges	(48.42)	-	-	(69.42)	(117.84)
Property, plant and equipment	(438.53)	-	(143.42)	-	(581.95)
Intangible assets - Goodwill	(32.59)	-	(55.88)	-	(88.47)
Intangible assets - Other than Goodwill	(88.42)	-	5.56	-	(82.86)
FVTPL financial assets	(21.29)	-	(4.76)	-	(26.05)
Defined benefit obligation	41.70	-	(13.37)	49.83	78.16
Provision for employee benefits	87.80	-	49.96	-	137.76
Merger related expenses	35.90	-	(8.98)	-	26.92
Others	83.63	-	(22.68)	-	60.95
	(380.22)	**-**	**(193.57)**	**(19.59)**	**(593.38)**
MAT Credit entitlement	628.47	-	(159.78)	-	468.69
Tax losses	-	-	318.07	-	318.07
Total	**248.25**	**-**	**(35.28)**	**(19.59)**	**193.38**

₹ In Million

2015-2016	Opening balance	Acquisitions/ disposals (Refer Note 38.1)	Recognised in statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Cash flow hedges	(31.20)	-	-	(17.22)	(48.42)
Property, plant and equipment	(124.51)	(330.20)	16.18	-	(438.53)
Intangible assets - Goodwill	-	-	(32.59)	-	(32.59)
Intangible assets - Other than Goodwill	(5.51)	(6.53)	(76.38)	-	(88.42)
FVTPL financial assets	(132.30)	-	111.01	-	(21.29)
Defined benefit obligation	24.90	18.81	(3.62)	1.61	41.70
Provision for employee benefits	56.90	32.59	(1.69)	-	87.80
Merger related expenses	37.72	-	(1.82)	-	35.90
Others	28.14	46.40	9.09	-	83.63
	(145.86)	**(238.93)**	**20.18**	**(15.61)**	**(380.22)**
MAT Credit entitlement	-	301.35	327.12	-	628.47
Tax losses	-	140.99	(140.99)	-	-
Carried forward accumulated depreciation	-	79.16	(79.16)	-	-
Total	**(145.86)**	**282.57**	**127.15**	**(15.61)**	**248.25**

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (MAT). MAT paid can be carried forward for a certain period and can be set off against the future tax liabilities. MAT is recognised as deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefits associated with the asset will be realised.

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Note No. 12 Income tax assets (net)

The income tax assets consists of the following:

(i) Non-current income tax assets

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Advance income tax (net of provisions)	343.93	348.27	288.79
Taxes paid under protest	698.17	550.10	457.74
Total	1,042.10	898.37	746.53

(ii) Current income tax assets

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Advance income tax (net of provisions)	143.15	28.48	-
Income tax refund receivable	4.39	13.08	-
Total	147.54	41.56	-

Note No. 13 Other assets

Other assets (unsecured) consist of the following:

(i) Other non-current assets

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Considered good:			
- Capital advances	177.91	163.21	72.33
- Advances to related parties (Refer note 45)	23.04	-	-
- Advances to Others	75.50	91.43	-
- Prepaid expenses	49.47	44.83	-
- Lease equalisation asset	22.06	18.95	12.65
Balances with government authorities:			
- VAT credit receivable	1.36	1.36	1.36
- Taxes paid under protest	26.31	6.64	4.29
Others:			
- Receivable from KIADB	6.44	6.44	6.44
Total	382.09	332.86	97.07

(ii) Other current assets

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Considered good:			
Advances to Suppliers	380.35	453.91	140.30
Advances to Employees	1.23	-	-
Advances to related parties (Refer note 45)	276.73	-	-
Prepaid expenses	137.36	98.80	101.30
Unbilled revenue	8.67	10.02	8.42
Balances with government authorities:			
- CENVAT credit receivable	112.88	193.42	35.92
- VAT credit receivable	207.61	244.05	77.70
- Service Tax credit receivable	158.41	158.58	135.07
- Incentives receivables	583.26	549.92	105.79
Unsecured, considered doubtful:			
Loans to suppliers:	-	3.42	-
Less: Provision for doubtful loans and advances	-	(3.42)	-
	-	-	-
Total	1,866.50	1,708.70	604.50

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Note No.14 Inventories

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Raw materials	2,158.38	2,044.07	987.48
- Goods-in-transit	297.09	287.78	123.84
Work-in-progress	634.82	814.11	120.58
Finished goods (other than those acquired for trading)	487.44	407.56	212.71
Stock-in-trade (acquired for trading)	397.18	142.65	89.75
Stores and spares	120.39	96.17	19.68
Total	**4,095.30**	**3,792.34**	**1,554.04**

The amount of write down of inventory recognised as an expense during the year is ₹ 827.76 million (Previous year ₹ 276.83 million)

Note No.15 Trade receivables

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Unsecured			
Considered good	5,406.85	6,923.99	2,560.14
Considered doubtful	172.64	194.85	70.21
	5,579.49	**7,118.84**	**2,630.35**
Less: Allowance for doubtful trade receivables	(172.64)	(194.85)	(70.21)
Total	**5,406.85**	**6,923.99**	**2,560.14**

In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Movement in Expected credit loss allowance

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Balance at the beginning of the year	194.85	70.21
Movement in Expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(22.21)	124.64
Balance at end of the year	**172.64**	**194.85**

The company has availed bill discounting facilities from the banks which do not meet the derecognition criteria for transfer of contractual rights to receive cashflows from the respective trade receivables since they are with recourse to the Company. Accordingly as at March 31, 2017, trade receivables balances include ₹ 264.56 Million (As at March 31, 2016: ₹ 473.28 Million and As at April 1, 2015: ₹ 270.69 Million) and the corresponding financial liability to the banks is included as part of working capital loan under short- term borrowings.

Note No.16 Cash and cash equivalents

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Cash on hand	1.99	2.67	1.82
Balances with banks:			
- In current accounts	484.44	533.49	303.37
- In EEFC accounts	0.08	-	-
- In Escrow account	2.00	2.00	-
- In deposit accounts	354.17	332.24	344.13
- Funds-in-transit	35.02	2.85	10.97
Total	**877.70**	**873.25**	**660.29**

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Specified bank notes disclosure (SBNs)

In accordance with MCA notification G.S.R. 308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016 is given below:

₹

Particulars	SBNs	ODNs	Total
Closing cash on hand as on November 8, 2016	876,000	543,671	1,419,671
(+) Permitted receipts	140,500	3,341,229	3,481,729
(-) Permitted payments	30,000	3,149,698	3,179,698
(-) Amounts Deposited in Banks	986,500	-	986,500
Closing cash on hand as on December 30, 2016	-	735,202	735,202

Note No.17 Other balances with banks

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
In earmarked accounts:			
- Unpaid dividend accounts	67.08	68.52	67.55
- Group gratuity accounts	1.26	0.31	3.11
- Balance held as margin money against working capital facilities with banks	2.82	1.36	12.00
- Others	0.33	-	-
Total	71.49	70.19	82.66

Note No.18 Equity share capital

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Authorised			
176,750,000 Equity shares of ₹ 10/- each with voting rights	1,767.50	1,767.50	897.50
(March 31, 2016: 176,750,000 equity shares of ₹ 10/- each)			
(April 01, 2015: 89,750,000 equity shares of ₹ 10/- each)			
Nil 6% Cumulative redeemable preference shares of ₹ 1,000/- each	-	-	620.00
(March 31, 2016: Nil)			
(April 01, 2015: 620,000 6% cumulative redeemable preference sharesof ₹ 1,000/- each)			
	1,767.50	1,767.50	1,517.50
Issued, subscribed and fully paid-up			
89,423,006 Equity shares of ₹ 10/- each with voting rights	894.23	893.46	596.16
(March 31, 2016: 89,345,978 equity shares of ₹ 10/- each)			
(April 01, 2015: 59,615,621 equity shares of ₹ 10/- each)			
Total	894.23	893.46	596.16

(i) Reconciliation of number of shares and amount outstanding

Particulars	31-Mar-17		31-Mar-16	
	No. of shares	₹ In Million	No. of shares	₹ In Million
Equity share capital				
Equity share of ₹ 10/- each				
Balance at the beginning of the year	89,345,978	893.46	59,615,621	596.16
Changes in equity share capital during the year				
- Issued pursuant to employee stock option plans (Refer note 43)	77,028	0.77	85,000	0.85
- Issued pursuant to the scheme of amalgamation (Refer note 38.1)	-	-	21,017,329	210.17
- Issued pursuant to the qualified institutional placement (Refer note 40)	-	-	8,628,028	86.28
Balance at the end of the year	89,423,006	894.23	89,345,978	893.46

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(ii) Detail of the rights, preferences and restrictions attaching to each class of outstanding equity shares of ₹ 10/- each:

The Company has only one class of equity shares, having a par value of ₹ 10/- each. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to approval by the shareholders at the ensuing annual general meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

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

Particulars	31-Mar-17		31-Mar-16		01-Apr-15	
	No. of shares	%	No. of shares	%	No. of shares	%
Pronomz Ventures LLP	12,665,000	14.16%	12,665,000	14.18%	12,665,000	21.24%
DB International (Asia) Limited					3,963,972	6.65%
SBI Magnum Multiplier Fund	5,818,481	6.51%				

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

Particulars	No. of shares	
	31-Mar-17	31-Mar-16
Towards employee stock options under the various Strides stock option plans (Refer note 43)	3,193,097	335,000
Total	**3,193,097**	**335,000**

Note No.19 Other equity

₹ In Million

Particulars	Notes	As at		
		31-Mar-17	31-Mar-16	01-Apr-15
Capital reserve	19 (i)	123.67	152.94	225.60
Securities premium account	19 (ii)(a)	18,879.21	18,822.24	6,013.74
Reserve for Business Restructure (BRR)	19 (ii)(b)	3,846.38	3,846.38	3,846.38
Capital redemption reserve	19 (iii)	601.61	601.61	551.61
Share options outstanding account	19 (iv)	88.55	57.74	21.98
General reserve	19 (v)	3,836.44	3,836.44	3,365.00
Retained earnings	19 (vi)	3,930.01	3,276.90	329.61
Effective portion of cash flow hedge	19 (vii)	222.64	91.89	59.20
Remeasurement of the defined benefit liabilities / (assets)	19 (viii)	(97.47)	(3.34)	-
Total		**31,431.04**	**30,682.80**	**14,413.12**

₹ In Million

Particulars	31-Mar-17	31-Mar-16
(A) Reserves and surplus		
(i) Capital reserve		
Opening balance	152.94	225.60
Add: Pursuant to the scheme of amalgamation (Refer note 38.1)	-	3.00
Less: Excess of share capital issued by the Company over the capital of the Transferor company pursuant to the merger (Refer note 38.1)	-	(75.66)
Less: On account of business purchase from subsidiary (Refer note 38.2 note A)	(29.27)	-
Closing balance	**123.67**	**152.94**

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₹ In Million

Particulars		31-Mar-17	31-Mar-16
(ii)	Securities premium account		
(a)	Securities premium		
	Opening balance	18,822.24	6,013.74
	Add: Pursuant to the scheme of amalgamation (Refer note 38.1)	-	1,381.78
	Add: Premium on shares issued during the year (Refer note 40)	56.97	11,753.38
	Less: Shares issue expenses	-	(326.66)
	Closing balance	**18,879.21**	**18,822.24**
(b)	Reserve for Business Restructure (BRR) (Refer note 51)		
	Opening balance	3,846.38	3,846.38
	Closing balance	**3,846.38**	**3,846.38**
(iii)	Capital redemption reserve		
	Opening balance	601.61	551.61
	Add: Pursuant to the scheme of amalgamation (Refer note 38.1)	-	50.00
	Closing balance	**601.61**	**601.61**
(iv)	Share options outstanding account (Refer notes 43)		
	Opening balance	106.84	84.09
	Add: Pursuant to the scheme of amalgamation (Refer note 38.1)	-	7.98
	Add: Amounts recorded on grants / (cancellations) during the year	57.11	31.81
	Less: Transferred to securities premium account on exercise (net)	(23.89)	(17.04)
		140.06	106.84
	Less: Deferred stock compensation expenses	(51.51)	(49.10)
	Closing balance	**88.55**	**57.74**
(v)	General reserve		
	Opening balance	3,836.44	3,365.00
	Add: Pursuant to the scheme of amalgamation (Refer note 38.1)	-	471.44
	Closing balance	**3,836.44**	**3,836.44**
(vi)	Retained earnings		
	Opening balance	3,276.90	329.61
	Add: Pursuant to the scheme of amalgamation (Refer note 38.1)	-	1,913.53
	Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on account of componentisation of items of Property Plant and Equipment (net of deferred tax) (Refer note 4(vi))	-	(8.07)
	Add: Profit for the year	1,085.37	1,302.00
	Less: Interim dividend on equity shares (₹ Nil, previous year ₹ 1 per share)	-	(67.22)
	Final dividend on equity shares (₹ 4 per share, previous year ₹ 3 per share)	(357.46)	(178.88)
	Tax on interim dividend	-	(14.07)
	Tax on final dividend	(74.80)	-
	Closing balance	**3,930.01**	**3,276.90**
Total Reserves and surplus (A)		**31,305.87**	**30,594.25**
(B)	**Items of other comprehensive income**		
(vii)	Effective portion of cash flow hedge		
	Opening balance	91.89	59.20
	Add/(Less) : Movement during the year (net of tax)	130.75	32.69
	Closing balance	**222.64**	**91.89**
(viii)	Remeasurement of the defined benefit liabilities / (assets) (Refer Note 44)		
	Opening balance	(3.34)	-
	Add / (Less): Movement during the year (net of tax)	(94.13)	(3.34)
	Closing balance	**(97.47)**	**(3.34)**
Total items of other comprehensive income (B)		**125.17**	**88.55**
Other equity [(A) + (B)]		**31,431.04**	**30,682.80**

Notes
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Note No. 20 Borrowings

Borrowings consist of the following:

(i) Long-term borrowings

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Secured			
- Term loan from banks (Refer note (i) to (vi) below)	3,979.84	5,535.75	1,640.13
- Term loan from others (Refer note (vii) to (ix) below)	3,675.05	3,021.64	2.32
- Finance lease obligation (Refer note (x) below)	39.64	56.61	-
Total	7,694.53	8,614.00	1,642.45

Details of security and terms of repayments of Long-term borrowings

₹ In Million

Particulars		31-Mar-17	31-Mar-16	01-Apr-15
(i)	Term loan from banks: Loan 1			
	Long-term loan	8.21	8.26	-
	Current maturities of long-term loan	7.32	5.06	0.23
	"Security: Hypothecation of assets procured from the term loans. Rate of interest: 9.2% p.a to 12.48% p.a. Repayment varies between 36 to 48 monthly instalments. The outstanding term as at March 31, 2017 varies between 17 to 44 installments."			
(ii)	Term loan from banks: Loan 2			
	Long-term loan	-	889.54	1,640.13
	Current maturities of long-term loan	891.30	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, 2017 is 4 installments.			
(iii)	Term loan from banks: Loan 3			
	Long-term loan	1,661.97	2,914.73	-
	Current maturities of long-term loan	300.00	-	-
	Security: Charge on fixed assets of the Company including intangibles , (other than land and building situated at Navi Mumbai, Palghar,Hosur and Kumarpettai properties) and second charge on current assets of the Company 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, 2017 is 14 installments. During the year 2016-17, the Bank has assigned ₹ 1000 Million to financial institution given under (vii) below.			
(iv)	Term loan from banks: Loan 4			
	Long-term loan	990.98	-	-
	Current maturities of long-term loan	-	-	-
	Security: Charge on fixed assets of the Company including intangibles, (other than land and building situated at Navi Mumbai, Palghar,Hosur and Kumarpettai properties) and second charge on current assets of the Company Rate of interest: MCLR Repayment terms: 16 unequal quarterly installments commencing after 18 months from initial utilisation date. The outstanding term as at March 31, 2017 is 16 installments.			

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₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
(v) Term loan from banks: Loan 5			
Long-term loan	101.45	179.76	-
Current maturities of long-term loan	81.09	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 utilisation date. The outstanding term as at March 31, 2017 10 installments.			
(vi) Term loan from banks: Loan 6			
Long-term loan	1,217.23	1,543.46	-
Current maturities of long-term loan	341.50	393.90	-
Security: Pari-passu first charge on the entire fixed assets of the Company, existing and future, on paripassu 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 utilisation date. The outstanding term as at March 31, 2017 is 54 installments.			
(vii) Term loan from others: Loan 1			
Long-term loan	826.73	-	-
Current maturities of long-term loan	150.00	-	-
Security: Charge on fixed assets of the Company including intangibles, (other than land and building situated at Navi Mumbai, Palghar,Hosur and Kumarpettai properties) and second charge on current assets of the Company 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, 2017 is 14 installments.			
(viii) Term loan from others: Loan 2			
Long-term loan	2,848.23	3,020.37	-
Current maturities of long-term loan	121.96	-	-
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, 2017 is 14 installments.			
(ix) Term loan from others: Loan 3			
Long-term loan	0.09	1.27	2.32
Current maturities of long-term loan	1.18	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, 2017 is 13 installments.			
(x) Finance lease obligation:			
Long-term maturity of finance lease obligation	39.64	56.61	-
Current maturities of finance lease obligation	16.98	15.32	-

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₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
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, 2017 is 13 installments.			
(xi) 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. The outstanding term as at March 31, 2017 is Nil			
Total	9,605.86	10,012.82	2,424.96

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Disclosed under long term borrowings	7,694.53	8,614.00	1,642.45
Disclosed under other current liabilities :			
- Current maturities of long-term loans	1,894.35	1,383.50	782.51
- Current maturities of finance lease obligations	16.98	15.32	-
Total	9,605.86	10,012.82	2,424.96

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

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Term loans from banks (secured and unsecured and including current maturities of these loans)	-	1,738.66	2,421.44
Total	-	1,738.66	2,421.44

(ii) Short-term borrowings

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Secured loans repayable on demand from banks: (Refer note below)			
- Working capital loans	5,489.89	5,204.57	1,400.62
- Short-term loans	234.53	229.18	225.98
Unsecured loans			
- Loans repayable on demand from banks and others	750.00	-	-
Total	6,474.42	5,433.75	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 ₹ 318.86 Million(As at March 31, 2016 :₹ 293.79 Million ; As at April 1, 2015: ₹ 243.60 Million).

Note No. 21 Other financial liabilities

Other financial liabilities consist of the following:
(i) Other non-current financial liabilities

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Security deposits	37.87	42.78	34.59
Put option liability	175.11	149.67	133.44
Total	212.98	192.45	168.03

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(ii) Other current financial liabilities

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Current maturities of long-term loans (Refer note 20(i) above)	1,894.35	1,383.50	782.51
Current maturities of finance lease obligations (Refer note 20(i) above)	16.98	15.32	-
Interest accrued but not due on borrowings	46.47	93.40	25.72
Unclaimed dividends	67.09	68.52	67.55
Mark to market loss on derivative instruments	16.76	-	-
Other payables:			
- Payable to subsidiaries	51.47	10.59	35.74
- Payables on purchase of PPE and intangible assets	61.39	78.89	8.76
- Payables on purchase of Investment in Fagris Medica Private Limited (Refer note 41(a))	-	1.70	1.70
- Trade deposits received	-	16.10	17.71
- Book overdraft	266.57	64.33	-
- Others	0.33	-	-
Total	2,421.41	1,732.35	939.69

Note No. 22 Provisions

Provisions consist of the following:

(i) Non-current provisions

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Provision for employee benefits:			
Compensated absences	179.23	101.44	54.79
Total	179.23	101.44	54.79

(ii) Current provisions

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Provision for employee benefits:			
- Compensated absences	79.51	58.23	49.85
- Payables to employees under incentive plan	69.66	28.27	78.40
Total	149.17	86.50	128.25

Note No. 23 Other liabilities

Other liabilities consist of the following;

(i) Other non-current liabilities

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Gratuity and other benefits (Refer note 44)	225.84	90.40	71.95
Prepaid rent liability	8.98	11.40	4.70
Lease equalisation liability	3.23	4.03	13.82
Total	238.05	105.83	90.47

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(ii) Other current liabilities

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Other payables:			
- Advances from customers	263.45	49.45	31.19
- Statutory remittances	148.23	144.95	62.99
- Gratuity and other benefits (Refer note 44)	-	30.10	-
Total	411.68	224.50	94.18

Note No. 24 Trade payables

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Trade payables:			
- Total outstanding dues of micro enterprises and small enterprises (Refer note (i) below)	21.46	69.39	18.83
- Total outstanding dues of creditors other than micro and small enterprises	4,684.18	4,902.28	1,867.42
Total	4,705.64	4,971.67	1,886.25

Note :

(i) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ In Million

Particulars		31-Mar-17	31-Mar-16	01-Apr-15
(i)	Principal amount remaining unpaid to any suppliers as at the end of the accounting year	21.46	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.

Note No. 25 Current income tax liabilities(net)

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Provision for tax (net of advance tax)	-	-	102.96
Total	-	-	102.96

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Note No. 26 Revenue from operations

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Sale of products	19,436.72	20,562.24
Sale of services (Refer note (i) below)	250.11	431.82
Other operating revenues (Refer note (ii) below)	1,411.15	1,222.23
Total	**21,097.98**	**22,216.29**

Note:
(i) Sale of services comprises:

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Development income	247.98	427.13
Licensing income	2.13	4.69
Total service income	**250.11**	**431.82**

(ii) Other operating revenue comprises:

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Export incentives	486.94	561.24
Royalty income	860.68	632.49
Support service income	63.53	28.50
Total other operating revenue	**1,411.15**	**1,222.23**

Note No. 27 Other income

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Interest income (Refer note (i) below)	90.01	62.15
Income from current investments designated at FVTPL	703.22	50.18
Gain on sale of Mutual Fund	-	369.46
Rental income from operating leases	60.57	75.54
Exchange fluctuation gain (net)	226.30	-
Other non-operating income		
- Liabilities / provisions no longer required written back	7.21	46.58
- Guarantee commission	499.45	437.55
- Profit on sale of property, plant & equipment and Intangible assets (net)	129.74	-
- Recovery on claims	39.40	42.68
- Others	5.47	4.71
Total	**1,761.37**	**1,088.85**

Note:
(i) Interest income comprises:

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Interest from banks on deposits	28.79	30.36
Interest on Financial assets designated at amortised cost	58.88	22.09
Interest from others	2.34	9.70
Total	**90.01**	**62.15**

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Note No. 28 Cost of materials consumed

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Opening stock	2,263.53	1,084.47
Add: Pursuant to the scheme of amalgamation (Refer Note 38.1)	-	1,052.93
Add: Purchases	8,406.31	11,437.45
Add: Excise Duty	462.79	577.93
Less: Closing stock	2,575.87	2,263.53
Cost of materials consumed	**8,556.76**	**11,889.25**

The above is after excluding the amounts in respect of discontinued operations.

Note No. 29 Purchase of stock in trade

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Traded goods	1,505.03	896.42
Total	**1,505.03**	**896.42**

The above is after excluding the amounts inrespect of discontinued operations.

Note No. 30 Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Inventories at the end of the year:		
- Finished goods	487.44	404.75
- Work-in-progress	634.82	809.65
- Stock-in-trade	397.18	138.29
	1,519.44	**1,352.69**
Pursuant to the scheme of amalgamation (Refer Note 38.1)		
- Finished goods	-	335.04
- Work-in-progress	-	651.04
	-	**986.08**
Inventories at the beginning of the year:		
- Finished goods	404.75	205.51
- Work-in-progress	809.65	112.75
- Stock-in-trade	138.29	83.51
	1,352.69	**401.77**
Net (increase) / decrease	**(166.75)**	**35.16**

The above is after excluding the amounts in respect of discontinued operations.

Note No. 31 Employee benefit expense

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Salaries and wages	3,407.08	2,308.47
Contributions to provident and other funds (Refer note 44)	220.29	164.34
Expenses on Employee Stock Option Plans (Refer note 43)	54.71	44.83
Staff welfare expenses	291.06	223.98
Total	**3,973.14**	**2,741.62**

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Note No. 32 Finance costs

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Interest expense on:		
- Borrowings	1,079.65	947.96
- Delayed payment of income tax	-	2.96
- Discounting of deposits	2.26	1.99
Other finance costs	65.50	73.31
Total	**1,147.41**	**1,026.22**

Note No. 33 Depreciation and amortisation expense

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Depreciation on Property, plant and equipment (Refer note 4)	921.12	778.50
Depreciation on Investment property (Refer note 5)	38.83	38.84
Amortisation on Intangible asset (Refer note 7)	312.62	216.30
Amount charged to the Statement of Profit and Loss:	**1,272.57**	**1,033.64**
- under continuing operations	1,266.30	1,026.86
- under discontinued operations	6.27	6.78

Note No. 34 Other expenses

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Subcontracting	238.49	173.89
Power and fuel	687.08	737.02
Water	14.58	4.17
Rent including lease rentals (Refer note 46)	149.59	101.26
Repairs and maintenance:		
- Buildings	53.68	35.02
- Machinery	408.34	335.39
- Others	161.00	100.88
Insurance	108.66	85.45
Rates and taxes	108.69	74.77
Communication	101.97	64.64
Travelling and conveyance	325.15	253.83
Printing and stationery	42.40	32.03
Freight and forwarding	437.74	391.08
Sales commission	128.10	194.92
Discount and claims	-	15.26
Business promotion	184.11	151.57
Royalty expenses	44.65	20.11
Donations and contributions	18.19	15.62
Expenditure on Corporate Social Responsibility (Refer Note (i) below)	25.26	42.38
Legal and professional charges	381.43	399.51
Payments to auditors (Refer Note (ii) below)	26.12	24.67
Bad debts written off / Provision for doubtful trade and other receivables	2.04	124.64
Loss on sale of property, plant, equipment and intangible assets (net)	-	(2.31)
Consumables	589.48	369.47
Biostudy expenses	79.26	75.40
Net loss on foreign currency transactions	-	19.04
Miscellaneous expenses	95.55	115.53
Total	**4,411.56**	**3,955.24**

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Note:

(i) Expenditure on Corporate Social Responsibility:

₹ In Million

Particulars	31-Mar-17	31-Mar-16
(a) Gross amount required to be spent during the year	24.59	18.97
(b) Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	25.26	42.38
Total	**25.26**	**42.38**

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

₹ In Million

Particulars	31-Mar-17	31-Mar-16
- Audit of Standalone and consolidated financial statements including limited review (Refer note below)	14.30	14.30
- Other services	9.10	5.70
- Taxation matters	2.22	4.17
- Reimbursement of expenses	0.50	0.50
Total	**26.12**	**24.67**

Note:

Excludes ₹ 7.50 Million paid to auditors in connection with the qualified institutional placement of equity shares which has been charged to Securities premium account during the year ended March 31, 2016 (Refer note 40)

Note No. 35 Exceptional items

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Exchange gain / (loss) net (Refer note (i) below)	11.84	(163.54)
Net gain on sale of investments	-	-
- Agila Specialities private limited (Refer note 39)	-	126.21
- Aponia laboratories Inc (Refer note 8 (i) (note (iii))	8.99	-
- Strides Biologix Private Limited (Refer note 8 (i) (note (iv))	(25.30)	-
Business combination and restructuring expenses	(89.73)	(50.31)
Loss on account of derivative contracts	(42.20)	(16.23)
Impairment of investment (Refer note 8(i))	(18.70)	-
Write down of inventory and other assets	(630.14)	-
Impact of aligning the accounting policies on merger (Refer note 38.1)	-	(168.16)
Others	0.66	4.05
Total	**(784.58)**	**(267.98)**

(i) Exchange gain / (loss) net comprises:

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Exchange gain / (loss) on restatement of long-term foreign currency loans	106.70	(194.68)
Exchange gain / (loss) on restatement of loans to subsidiaries	(94.86)	31.14
Total (net)	**11.84**	**(163.54)**

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Note No. 36 Tax expenses

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Current tax		
Current tax expenses	124.97	327.12
Current tax expense relating to prior years reversed	(6.61)	(52.91)
Deferred tax benefit		
Deferred tax (credit) / expenses	(124.50)	199.97
Minimum alternative tax credit reversed/ utilised	239.75	-
Minimum alternative tax credit availed	(79.97)	(327.12)
Total Income tax expense	153.64	147.06

The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Profit before income taxes from continuing operations	1,381.32	1,466.39
Indian statutory income tax rate	34.61%	34.61%
Expected income tax expense	478.05	507.49
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:		
Income exempt from tax	(250.82)	(128.38)
Effect of concessions	(646.08)	(318.25)
Tax pertaining to prior years	233.14	(52.91)
Others (net)	339.35	139.11
Total Income tax expense	153.64	147.06

Refer note 11 for significant components of deferred tax assets and liabilities.

Note No. 37 Details of research and development expenditure incurred (charged to Statement of Profit and Loss)

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Salaries and wages	570.47	311.45
Materials	116.78	122.30
Legal and professional charges	28.04	69.35
Bio Study expense	79.26	75.40
Consumables	262.52	111.91
Travelling and conveyance	14.73	18.93
Net (gain) / loss on foreign currency transactions	0.23	(0.97)
Depreciation and amortisation expense	130.14	100.83
Others	329.00	99.80
Total	1,531.17	909.00

Note: The above are as certified by the management and relied upon by the auditors and includes cost associated with the development services undertaken for customers.

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Note No. 38 Merger and acquisitions

38.1 Merger of Shasun Pharmaceuticals Limited:

In accordance with the terms of the Scheme of Amalgamation (the 'Scheme') between the Shasun Pharmaceuticals Limited (Transferor Company) and the Company (Transferee Company) which was approved by the Honourable High Courts of Judicature, the Transferor Company was merged with the Company from an appointed date of April 01, 2015. The effective date of the Scheme (being the date on which all the requirements under the Companies Act, 2013 and as per the Scheme have been completed) was November 19, 2015 (the 'Effective Date'). As per the requirements of the Scheme, the merger was accounted under the "pooling of interest method" and accordingly the assets and liabilities acquired have been incorporated at their carrying amounts as of the appointed date.

Pursuant to the Scheme, the Company allotted 21,017,329 equity shares to shareholders of Transferor Company 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 shares have been considered for the purpose of calculation of earnings per share accordingly. An amount of ₹ 75.66 Million being the excess of the share capital issued by the Company over the share capital of the Transferor Company has been debited to Capital Reserves in accordance with the accounting treatment specified in the Scheme.

Further, 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 increased to 176.75 Million equity shares of ₹ 10 each, totaling to ₹ 1,767.50 Million.

Details of assets and liabilities acquired and equity balances merged with the Company's equity are given below:

₹ In Million

Particulars	As at April 01, 2015
Non-current assets	6,185.09
Current assets	7,005.12
Total assets (A)	**13,190.21**
Non-current liabilities	1,725.27
Current liabilities	7,325.92
Other equity	4,018.77
Total equity and liabilities (B)	**13,069.96**
(A) – (B)	**120.25**
Add: Shares issued by Transferor Company after appointed date but prior to the effective date of merger	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 (D-C)	**75.66**

On re-measurement of the above balances under Ind AS on the appointed date of the Scheme (after considering the adjustment made as explained in the below paragraph, to align with the accounting policies of the Transferee Company), the resulting differences have been adjusted in the equity during the previous year ended March 31, 2016. There were no material differences on account of remeasurement in Ind AS.

The Transferor Company had adopted the provisions of para 46 / 46A of AS 11 "The Effects of Changes in Foreign Exchange Rates" under the previous GAAP. 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 on long term monetary items 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 tangible fixed assets (now called as property, plant and equipment) 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.

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

- Aponia Laboratories Inc., USA
- 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

Further, the following investments of the Transferor Company became part of the Company:
- Clarion Wind Farm Private Limited, India
- Beta Wind Farm Private Limited, India
- SIPCOT Industrial Common Utilities Limited, India
- 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 Transferor Company. 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 were not issued by the Company and hence 48,875 options were reserved for issue in respect of the above as at the March 31, 2016. In the current year ended March 31, 2017, 37,438 options were issued to the eligible option holders.

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

As the effect of merger was recorded on April 1, 2015 being the appointed date of the Scheme, the opening balance sheet as at the transition date (which also happens to be April 1, 2015) in these financial statements do not include the balances relating to Transferor company and accordingly the figures of April 1, 2015 are not comparable with the other two balance sheet dates.

38.2 Business acquisitions

During 2016-17:

Entity / Business Acquired	Principal Activity	Date of Acquisition	Other details
Business carried on by Fagris Medica Private limited, a subsidiary	Develop, manufacture, market and trade in pharmaceutical products	31-Mar-17	Refer Note A

Note A:

The Company entered into an agreement to acquire business of Fagris Medica Private Limited (""Fagris"") on February 7,2017 and the transaction was completed on March 31,2017. Fagris is the wholly owned subsidiary of the Company as on the date of transfer. This being a common control transaction, the assets and liabilities of Fagris has been transferred at book value, and the difference between the consideration and book value of assets transferred has been debited to Capital reserve. The operations in this entity is not significant as compared to the operations of the Company.

Consideration transferred:

₹ In Million

Particulars	Fagris Medica Private Limited
Cash	30.45
Total	**30.45**

Assets acquired and liabilities recognised at the date of acquisition:

₹ In Million

Particulars	Fagris Medica Private Limited
Current assets	27.52
Non-current assets	0.22
Current liabilities	(26.56)
Non-current liabilities	-

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Calculation of Goodwill \ Capital reserve arising on acquisition:

₹ In Million

Particulars	Fagris Medica Private Limited
Consideration transferred	30.45
Less: Identifiable net assets acquired	(1.18)
Excess of the consideration transferred by the Company over the net assets acquired of the Transferor Company, has been debited to capital reserves	**29.27**

During 2015-16:

Entity / Business Acquired	Principal Activity	Date of Acquisition
'Solus' and 'Solus Care' division operating in the central nervous system (CNS) (from Sun Pharmaceuticals Industries Limited)	Manufacturing of speciality CNS formulations	01-Feb-16

₹ In Million

Particulars	'Solus' and 'Solus Care' division
Consideration paid in cash for the above acquisition	1,650.00
Non-current assets acquired (at fair value)	900.10
Goodwill arising on acquisition	749.90

Acquisition-related costs have been excluded from the consideration transferred and have been recognised as an expense in the statement of profit and loss, within the 'Exceptional expenses' line item.

Impact of acquisitions on the results of the Company:
Results for the year ended March 31, 2016 includes the following revenue and profit generated from the new acquisitions:

₹ In Million

Particulars	'Solus' and 'Solus Care' division
Revenue	34.96
Profit for the year	(11.76)

Had this business combination been effected at April 1, 2015, the proforma revenue and the profit for the year from the respective business acquired would have been as below:

₹ In Million

Particulars	'Solus' and 'Solus Care' division
Revenue	209.76
Profit for the year	(70.55)

The directors consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis.

In determining the 'pro-forma' revenue and profit of the company had new entity / business been acquired at the beginning of the current year, the directors have:

- calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements;

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- calculated borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination; and

- excluded takeover defence costs of the acquiree as a one-off pre-acquisition transaction.

Note No. 39 Disposal of investments \ business

39.1 Sale of investments in entities manufacturing specialty products

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

The sale of shares of ASPL was recorded by the Company in terms of the Sale and Purchase Agreement dated December 4, 2013 (the "India SPA"). The sale of shares of Agila Global was recorded by Strides Singapore in terms of another Sale and Purchase Agreement dated December 4, 2013 (the "Global SPA").

The Company has provided a corporate guarantee to Mylan Inc for USD 200 Million (valid up to December 4, 2020) on behalf of Strides Singapore which can be used for discharging specified financial obligations, if any, of Strides Singapore to Mylan, which has been included under contingent liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015 in Note 42.

Further, in accordance with the terms of the India SPA and the Global SPA (together the "SPA"s), certain amounts were set aside under separate deposit / escrow accounts which were required to be utilised for specified expenses during the specified period. These included separate escrow / deposit of USD 100 Million in respect of potential claims under the SPAs in relation to certain regulatory concerns ("Regulatory escrow") and USD 100 Million in respect of potential claims in relation to the warranties and indemnities, including in relation to tax, as per the terms of SPAs and other transaction amounts ("General claims escrow"). Further, ₹ 850 Million was set aside in separate Escrow for payment to certain specified senior management personnel of ASPL and its subsidiary. Any unutilised amounts from the deposit / escrow accounts after the specified period were payable to the respective entities of the Group. Given the uncertainties involved and in the absence of a right to receive, the amounts under the deposit / escrow arrangements were not included in the consideration accounted as income by the Company at the time of disposal of the investments. Receipts from these deposit / escrow accounts were recognised subsequently (net of related expenses incurred) in the period in which such amounts were received by the company.

During the year ended March 31, 2016, the Company received ₹ 129.50 Million out of the escrow amount set aside under the India SPA for payment to senior management personnel of ASPL and its affiliates. This has been recognised as gain under exceptional items after adjusting related expenses of ₹ 3.29 Million.

During the current and earlier years, the company received notifications of claims from Mylan under the terms of the SPAs. These included third party claims, tax claims, warranty and indemnity claims, claims against the regulatory escrows and general claims. Under the terms of the SPAs, claims against the Company / Strides Singapore can only be made under specific provisions contained in the SPAs which include the procedures and timelines for submission of notifications of claims and actual claims and commencing arbitration proceedings.

In the current year, all claims towards regulatory expenses have been settled and Strides Singapore received USD 28.33 Million as full and final settlement from out of the Regulatory Escrow account. The Company and Mylan also agreed on full and final settlement of warranty and indemnity claims which were adjusted against the General Claims Escrow. The balance available in the General Claims Escrow as at March 31, 2017 in respect of all claims is USD 62 Million.

As at March 31, 2017, the outstanding claims relate to certain tax claims and third party claims. Considering the nature of the pending claims, terms of the SPAs and the balance available in Escrow, the management believes that any further outflow of resources is not probable.

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39.2 Other disposals

A. Sale of investment in Strides Biologix Private Limited and related business:

During the current year, the Company sold the business relating to Strides Biologix Private Limited, India, an erstwhile subsidiary. The disposal was completed on March 31, 2017, on which date control passed to the acquirer. Details of the assets and liabilities disposed off, and the calculation of the profit or loss on disposal, are explained below:

(a) Consideration received

₹ In Million

Particulars	31-Mar-17
Consideration received in cash and cash equivalents	30.50
Deferred sales proceeds	-
Total consideration	**30.50**

(b) Carrying value of asset and liabilities as on the date of disposal

₹ In Million

Particulars	31-Mar-17
Current assets	11.24
Non-current assets	-
Current liabilities	(10.11)
Non-current liabilities	(1.40)
Net assets disposed off	**(0.27)**

(c) Gain on disposal

₹ In Million

Particulars	31-Mar-17
Consideration received	30.50
Net assets disposed off	(0.27)
Gain on disposal	**30.77**

(d) Net cash inflow on disposal of subsidiary

₹ In Million

Particulars	31-Mar-17
Consideration received in cash and cash equivalents	30.50
Less: cash and cash equivalent balances disposed off	-
Net Cash inflow	**30.50**

B. Sale of Pharma generics business in Africa :

Pursuant to the terms of Shareholders agreement entered on March 30, 2017, the Company disposed-off its Pharma Generics business in Africa. Consequently, Pharma Generics Manufacturing division of the Company in Palghar, Maharashtra ceased to be part of the Company.

The disposal was completed on March 31, 2017, on which date control passed to the acquirer. Details of the assets and liabilities disposed off, and the calculation of the profit or loss on disposal, are explained below:

(a) Consideration received

₹ In Million

Particulars	31-Mar-17
Consideration received in cash and cash equivalents	45.50
Deferred sales proceeds	-
Total consideration	**45.50**

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(b) Carrying value of asset and liabilities as on the date of disposal

₹ In Million

Particulars	31-Mar-17
Current assets	214.61
Non-current assets	45.27
Current liabilities	(72.39)
Non-current liabilities	-
Net assets disposed off	**187.49**

(c) Gain \ (Loss) on disposal

₹ In Million

Particulars	31-Mar-17
Consideration received	45.50
Net assets disposed off	(187.49)
Gain \ (Loss) on disposal	**(141.99)**

(d) Net cash inflow on disposal of subsidiary

₹ In Million

Particulars	Year ended 31-Mar-17
Consideration received in cash and cash equivalents	45.50
Less: cash and cash equivalent balances disposed off	-
Net Cash inflow	**45.50**

C. Analysis of profit for the year from discontinued operations referred in Note 39.2.A and 39.2.B above:

The combined results of the discontinued operations included in the profit for the year are set out below. The comparative profit and cash flows from discontinued operations have been presented as if these operations were discontinued in the prior year as well.

₹ In Million

Particulars	Year ended	
	31-Mar-17	31-Mar-16
Revenue	328.96	396.54
Other income	(0.55)	4.12
Depreciation and amortisation expense	6.28	6.78
Other items debited to Statement of profit and loss	353.21	411.21
Profit / (Loss) from discontinued operations before tax (I)	(31.08)	(17.33)
Tax expense of discontinued operations (II)	-	-
Profit / (Loss) from discontinued operations after tax (I-II)	**(31.08)**	**(17.33)**

Cash flows from discontinued operations

₹ In Million

Particulars	Year ended	
	31-Mar-17	31-Mar-16
Net cash inflows/(outflows) from operating activities	(3.12)	1.12
Net cash inflows/(outflows) from investing activities	-	-
Net cash inflows/(outflows) from financing activities	-	-
Net cash inflows/(outflows)	**(3.12)**	**1.12**

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Note No. 40

During the year ended March 31, 2016, the Company had 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 completed the allotment of equity shares on December 23, 2015 and expenses incurred in relation to QIP to the extent of ₹ 326.66 Million were debited to Securities Premium Account.

Note No. 41 Commitments

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances):			
- Property, plant and equipment	809.13	648.10	135.82
- Intangible assets	20.42	45.15	99.40
Total	**829.55**	**693.25**	**235.22**

Note No. 42 Contingent liabilities

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
a) Corporate Guarantees			
The Company has given corporate guarantees to financial institutions and other parties, including on behalf of its subsidiaries in the ordinary course of business	52,009.20	52,205.97	37,174.85
b) Claims against the Company not acknowledged as debt			
- Disputed tax liabilities arising from assessment proceedings relating to earlier years from the income tax authorities. The outflow, if any, on account of disputed taxes is dependent on completion of assessments/ disposal of appeals and adjustments for payment made under protest.	1,368.18	1,368.18	1,278.27
- Disputed excise, custom, service tax and sales tax liabilities arising from assessment proceedings relating to prior years. The outflow, if any, on account of disputed liabilities is dependent on completion of assessments/ disposal of appeals and adjustments for payment made under protest.	577.86	129.04	5.65

Note No. 43 Share-based payments

Details of the employee share option plan of the Company:

(a) The ESOP titled “Strides Arcolab ESOP 2011” (ESOP 2011) was approved by the shareholders on May 30, 2011 for 1,500,000 options. Each option comprises one underlying equity share of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of 30 days from the date of vesting. No options were granted under this plan during the current year.

(b) The ESOP titled “Strides Arcolab ESOP 2015” (ESOP 2015) was approved by the shareholders on November 6, 2015 for 70,000 options. Each option comprises one underlying equity share of the Company. The vesting period of these options range over a period of four years. The options must be exercised within a period of 180 days from the date of vesting. Out of these options, 42,062 options were reserved for issue as at March 31, 2016 to employees of erstwhile Shasun Pharmaceuticals Limited pursuant to the Scheme of Amalgamation, as explained in Note 38.1. During the year ended March 31, 2017, the Company issued 37,438 options to the eligible option holders.

As at March 31, 2016, additional 6,813 options were reserved for issue to the elibile employees of Shasun Pharma Solutions Limited, UK. Pursuant to the accelerated vesting of such options on account of disposal of this entity during the year ended March 31, 2017 (refer Note 38.1), the Company recognised expenses of ₹ 3.77 Million during the year ended March 31, 2017.

(c) The ESOP titled “Strides Shasun ESOP 2016” (ESOP 2016) was approved by the shareholders on April 21, 2016. 3,000,000 options are covered under the Plan

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which are convertible into equal number of equity shares of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of one year from the date of vesting. Company has granted 100,000 options under the scheme during the current year.

(d) During the current year, Employee compensation costs of ₹ 54.71 Million (for the year ended March 31, 2016: ₹ 44.83 Million) relating to the above referred various Employee Stock Option Plans have been charged to the Statement of Profit and Loss.

Fair value of share options granted in the year
The fair value of the share options granted under ESOP 2015 and ESOP 2016 are ₹ 1,058.38 and ₹ 611.33 respectively. Options were priced using a Black-Scholes method of valuation as at grant date. Expected volatility is based on the historical share price volatility over the past 3 years.

Inputs into the model -

Particulars	ESOP 2015	ESOP 2016
Grant date share price	₹ 1,305.43	₹ 1,128.94
Exercise price	₹ 273.92	₹ 841.25
Expected volatility	70.39%	69.47%
Option life	4 years	3 years
Expected Dividend %	40.00%	40.00%
Risk-free interest rate	7.59%	7.52%

Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2016-17		During the year 2015-16	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:				
- ESOP 2011	265,000	499.77	350,000	456.67
- ESOP 2015	-	-	-	-
- ESOP 2016	-	-	-	-
Granted during the year:				
- ESOP 2011	-	-	-	-
- ESOP 2015	37,438	273.92	-	-
- ESOP 2016	100,000	841.25	-	-
Exercised during the year:				
- ESOP 2011	70,000	456.67	85,000	322.30
- ESOP 2015	7,028	273.92	-	-
- ESOP 2016	-	-	-	-
Lapsed/ cancelled during the year:				
- ESOP 2011	25,000	322.30	-	-
- ESOP 2015	7,313	273.92	-	-
- ESOP 2016			-	-
Options outstanding at the end of the year:				
- ESOP 2011	170,000	543.62	265,000	499.77
- ESOP 2015	23,097	273.92	-	-
- ESOP 2016	100,000	841.25	-	-
Options available for grant:				
- ESOP 2011	-	-	-	-
- ESOP 2015	-	-	70,000	-
- ESOP 2016	2,900,000	-	-	-

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Note No. 44 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 ₹ 177.14 Million (previous year: ₹ 119.45 Million) for provident fund contributions, ₹ 7.99 Million (previous year: ₹ 4.95 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 benefits, a defined employee benefit scheme to its employees.

Composition of the plan assets

The fund is managed by LIC , the fund manager. The details of composition of plan assets managed by the fund manager is not available with the company. However, the said funds are subject to Market risk (such as interest risk, investment risk, etc).

The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

₹ In Million

Particulars	Valuation as at		
	31-Mar-17	31-Mar-16	01-Apr-15
Discount rate(s)	6.75% -7.05%	7.64% - 8%	7.90%
Expected rate(s) of salary increase	9% - 10%	First year 5% Thereafter 10%	10.00%
Mortality Rate	As per IALM (2006-08) ultimate		
Retirement age (years)	58 years	58 years	58 years

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Service cost:		
Current service cost	39.71	38.09
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	9.42	7.56
Components of defined benefit costs recognised in statement of profit and loss	**49.13**	**45.65**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	(3.25)	(1.76)
Actuarial (gains) / losses arising from changes in demographic assumptions	(3.32)	-
Actuarial (gains) / losses arising from changes in financial assumptions	24.98	181.71
Actuarial (gains) / losses arising from experience adjustments	125.55	(175.00)
Components of defined benefit costs recognised in other comprehensive income	**143.96**	**4.95**
Total	193.09	50.60

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The remeasurernent of the net defined benefit liability is included in other comprehensive income.

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The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Present value of funded defined benefit obligation	540.38	360.51	146.09
Fair value of plan assets	(314.54)	(240.01)	(74.14)
Funded status	**225.84**	**120.50**	**71.95**
Restrictions on asset recognised	-	-	-
Net liability arising from defined benefit obligation	**225.84**	**120.50**	**71.95**

Movements in the present value of the defined benefit obligation are as follows:

₹ In Million

Particulars	Year ended	
	31-Mar-17	31-Mar-16
Opening defined benefit obligation	360.51	146.09
Add/(Less): on account of acquisitions /Business transfers	(11.44)	160.38
Expenses Recognised in statement of profit and loss		
Current service cost	39.71	38.09
Interest cost	28.16	23.85
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	(3.32)	-
Actuarial gains and losses arising from changes in financial assumptions	24.98	181.71
Actuarial gains and losses arising from experience adjustments	125.55	(175.00)
Benefits paid	(23.77)	(14.61)
Closing defined benefit obligation	**540.38**	**360.51**

Movements in the fair value of the plan assets are as follows:

₹ In Million

Particulars	Year ended	
	31-Mar-17	31-Mar-16
Opening fair value of plan assets	240.01	74.14
Pursuant to Merger of Shashun Pharmaceuticals Limited	-	101.64
Interest income	18.73	14.68
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	3.25	1.72
Contributions from the employer	76.30	62.44
Benefits paid	(23.75)	(14.61)
Closing fair value of plan assets	**314.54**	**240.01**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases (decrease) by 1%, the defined benefit obligation would be ₹ 514.15 Million (₹ 569.40 Million) as at March 31, 2017

If the expected salary growth increases (decrease) by 1%, the defined benefit obligation would be ₹ 561.74 Million (₹ 519.05 Million) as at March 31, 2017

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The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Company to manage its risks from prior periods.

Expected future Cash outflows towards the plan are as follows-

₹ In Million

Financial Year	Amount
2017-18	91.82
2018-19	75.82
2019-20	66.09
2020-21	64.47
2021-22	60.26
2022-23 to 2027- 28	236.13

Note No. 45 Related party transactions : List of related parties

Relationship	Name
Wholly owned subsidiaries	**Direct Holding**
	Fagris Medica Private Limited (with effect from February 15, 2017)
	Shasun USA Inc, USA
	Solara Active Pharma Sciences Limited (formerly, SSL Pharma Sciences Limited, incorporated on 23 February 2017)
	Strides Arcolab International Limited, UK
	Strides Consumer Private Limited, India (incorporated on 06 March 2017)
	Strides Pharma Asia Pte Limited, Singapore
	Strides Pharma International Limited, Cyprus
	SVADS Holdings SA, Switzerland
	Indirect Holding
	Altima Innovations Inc, USA
	Arrow Pharma (Private) Limited,Srilanka (with effect from February 27, 2017)
	Arrow Pharma Life Inc., Philippines (with effect from February 27, 2017)
	Arrow Pharma Pte Limited, Singapore (with effect from February 27, 2017)
	Arrow Pharma Pty Limited, Australia
	Arrow Pharmaceuticals Pty Limited, Australia
	Arrow Remedies Private Limited, India (with effect from February 27, 2017)
	Pharmacy Alliance Investments Pty Limited, Australia
	Shasun Pharma Solutions Inc, USA
	Stabilis Pharma Inc, USA
	Stelis Biopharma (Malaysia) Sdn Bhd, Malaysia (with effect from March 1, 2017)
	Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited - Upto September 30, 2016)
	Strides Africa Limited, BVI
	Strides Arcolab (Australia) Pty Limited, Australia
	Strides CIS Limited, Cyprus
	Strides Emerging Markets Private Limited, India
	Strides Pharma (Cyprus) Limited, Cyprus
	Strides Pharma (SA) Pty Limited, South Africa

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Relationship	Name
	Strides Pharma Global (UK) Limited, UK (formerly, Strides Pharma (UK) Limited) Strides Pharma Global Pte Limited, Singapore Strides Pharma Inc, USA Strides Pharma Limited, Cyprus Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited) Strides Specialties (Holdings) Limited, Mauritius Strides Pharmaceuticals (Holdings) Limited, Cyprus (merged with Strides Pharma International Limited,Cyprus with effect from October 16,2015)
Other Subsidiaries:	Direct Holding: Chemsynth Laboratories Private Limited, India (49%) Fagris Medica Private Limited (90%) (upto February 14, 2017) Stelis Biopharma Private Limited, India (74.90%) (up to March 31, 2017) Strides Biologix Private Limited (51%) (upto March 31, 2017) Strides Healthcare Private Limited (74%) **Indirect Holding** Alliance Pharmacy Pty Limited, Australia (51%) Arrow Pharma (Private) Limited, Sri Lanka (95%) (upto February 26, 2017) Arrow Pharma Life Inc., Philippines (95%) (upto February 26, 2017) Arrow Pharma Pte. Limited, Singapore (upto February 26, 2017) (95%) Arrow Remedies Private Limited, India (95%) (upto February 26, 2017) Beltapharm SpA, Italy (97.94%) Generic Partners (Canada) Inc., Canada (with effect from August 11, 2016) (51%) Generic Partners (International) Pte Limited, Singapore (with effect from August 11, 2016) (51%) Generic Partners (M) Sdn Bhd, Malaysia (with effect from August 11, 2016) (51%) Generic Partners (NZ) Limited, New Zealand (with effect from August 11, 2016) (51%) Generic Partners (South Africa) Pty Limited, South Africa (with effect from August 11, 2016) (51%) Generic Partners Holding Co Pty Limited, Australia (with effect from August 11, 2016) (51%) Generic Partners Pty Limited, Australia (with effect from August 11, 2016) (51%) Generic Partners UK Limited, UK (with effect from August 11, 2016) (51%) Pharmacy Alliance Group Holdings Pty Limited., Australia (51%) Pharmacy Alliance Pty Limited, Australia (51%) Smarterpharm Pty Limited (with effect from January 23,2017) (51%) Stelis Biopharma (Malaysia) SDN BHD, Malaysia (74.90%) (upto February 28, 2017) Universal Corporation Limited, Kenya (51%) (with effect from May 1, 2016) **Indirect Holding -Hived off effective March 31, 2017** African Pharmaceutical Development S.A, Cameroon (85%) Congo Pharma SPRL, Congo (85%) Societe De Repartition Pharmaceutique, Burkinofaso (80%) Strides Pharma Botswana (Proprietary) Limited (70%) Strides Pharma Cameroon Limited (85%) Strides Pharma Mozambique, SA (51%) Strides Pharma Namibia Pty Limited (70%) Strides Vital Nigeria Limited, Nigeria (74%) **Trusts:** Strides Foundation Trust, India Shasun Foundation Trust, India

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Relationship	Name
Joint Ventures (JV)	Akorn Strides LLC, USA (50%) Shasun NBI LLC, USA (50%) SPC Co. Limited, Sudan (51%) (upto March 31, 2017) Strides Shasun Latina Sa De Cv, Mexico (80%) (with effect from August 23, 2016) Oraderm Pharmaceuticals Pty Limited, Australia (50%) (with effect from June 6, 2016)
Associates	Aponia Laboratories Inc, USA Regional Bio Equivalence Centre S.C., Ethiopia (with effect from May 1, 2016) Stelis Biopharma Private Limited (with effect from March 31, 2017)
Key Management Personnel (KMP)	Arun Kumar, Chairman (with effect from May 18,2017) (Executive Vice Chairman and Managing Director, upto May 18, 2017)
	Abhaya Kumar, Executive Director (Resigned on May 18, 2017)
	Shashank Sinha, Managing Director (Appointed on May 18, 2017) (Group Chief Executive Officer (with effect from October 28, 2016 and upto May18,2017)
	Badree Komandur, Executive Director (Appointed on May 18, 2017) (Group Chief Financial Officer upto May 18, 2017 & Company Secretary upto February 3, 2017)
	Manjula Ramamurthy, Company Secretary (with effect from February 3, 2017)
	Deepak Vaidya, Non-Executive Director (with effect from May 18, 2017) (Chairman upto May 18, 2017)
	A.K.Nair, Non-Executive Director (Resigned on May 18, 2017)
	Bharat Shah, Non-Executive Director
	Homi R Khusrokhan, Non-Executive Director (Appointed on May 18, 2017)
	M.R.Umarji, Non-Executive Director (Resigned on May 18, 2017)
	P.M.Thampi, Non-Executive Director (Resigned on May 18, 2017)
	S.Sridhar, Non-Executive Director
	Sangita Reddy, Non-Executive Director
Relatives of KMP	Aditya Arun Kumar, son of Arun Kumar
Enterprises owned or significantly influenced by key management personnel and relative of key management personnel	Atma Projects, India Chayadeep Properties Private Limited, India Devendra Estates LLP, India LifeCell International Private Limited, India Nutra Specialities Private Limited, India Tenshi Kaizen Private Limited (formerly, Higher Pharmatech Private Limited) Strides Biologix Private Limited, India (51%) (with effect from March 31, 2017) Sequent Scientific Limited, India Sequent Research Limited, India Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited – (with effect from September 30, 2016) Shasun Leasing and Finance Limited, India

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Related party balances as at March 31, 2017

₹ In Million

	Wholly Owned Subsidiaries			Other Subsidiaries			Associates			KMP / Relatives of KMP			Enterprises owned or significantly influenced by KMP or their relatives		
	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Balance of trade payables (net of advance paid) as at:															
1 Arrow Pharmaceuticals Pty Limited	(0.02)	(10.42)	-												
2 Atma Projects													-	-	(0.45)
3 Arrow Remedies Private Limited	(0.53)	-	-												
4 Beltapharm S.p.A				(2.24)	(4.15)	(1.59)									
5 Chayadeep Properties Private Limited													(0.61)	(0.58)	(0.53)
6 Devendra Estate Private Limited													-	(0.21)	-
7 Fagris Medica Private Limited				-	(0.62)	-									
8 Nutra Specialities Private Limited													(0.60)	(1.73)	-
9 Sequent Scientific Limited													(84.51)	(127.03)	(87.77)
10 Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	(47.83)	-										(6.85)	-	-
11 Shasun USA Inc.	(62.52)	(64.10)	-												
12 Strides Biologix Private limited				-	(0.93)	-							(0.46)	-	-
13 Strides Emerging Markets Private Limited	(28.72)	(30.18)	(16.22)												
14 Strides Healthcare Private Limited (formerly Strides Actives Private Limited)				(15.45)											
15 Strides Pharma (Cyprus) Limited	(2.03)	(2.05)	-												
16 Strides Pharma Inc.	(70.89)	(32.49)	-												
17 Sequent Research Limited													(3.09)	(1.15)	-
18 Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited)	(4.13)	(2.87)	-												
Balance of trade receivables (net of advance received) as at:															
1 Arrow Pharmaceuticals Pty Limited	66.72	5.29	-												
2 Arrow Pharma Pte Limited	3.89	-	-												
3 Arrow Remedies Private Limited	0.07	-	-												
4 Beltapharm S.p.A				-	1.50	0.11									
5 Chayadeep Properties Private Limited													0.16	-	-
6 Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited)	45.17	87.33	57.38												
7 Nutra Specialities Private Limited													-	1.62	-
8 Sequent Scientific Limited													1.52	2.81	0.88
9 Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	52.29	-										64.25	-	-
10 Shasun USA Inc.	23.36	63.99	-												
11 Strides CIS Limited	76.66	-	-												

Notes
forming part of the standalone financial statements

Related party balances as at March 31, 2017 (Contd.)

₹ In Million

	Wholly Owned Subsidiaries			Other Subsidiaries			Associates			KMP / Relatives of KMP			Enterprises owned or significantly influenced by KMP or their relatives		
	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
12 Strides Emerging Markets Private Limited	51.13	12.09	1.67												
13 Strides Healthcare Private Limited				2.48	2.10	0.33									
14 Strides Vital Nigeria Limited				-	3.91	3.69									
15 Strides Pharma Global Pte Limited	836.70	1,422.08	549.74												
16 Stelis Biopharma Private Limited*	-	2.37	-				12.45	-	-						
17 Strides Biologix Private limited				-	0.65	-							1.71	-	-
18 Strides Pharma Inc.	56.29	-	-												
19 SVADS Holdings SA	56.76	-	-												
20 Universal Corporation Limited				20.33	-	-									
21 Strides Pharma (Cyprus) Limited	208.78	311.45	449.57												
Loans receivable as at:															
1 Fagris Medica Private Limited				-	27.91	10.50									
2 Strides Healthcare Private Limited				19.83	15.58	27.18									
3 Strides Biologix Private limited													5.65	-	-
4 SVADS Holdings SA	17.43	264.18	-												
Dividend receivable as at:															
1 Strides Pharma International Limited	-	-	562.46												
Balance of deposits paid															
1 Atma Projects													50.13	50.13	6.29
2 Chayadeep Properties Private Limited													7.35	7.35	-
Balance of deposits received															
1 Sequent Scientific Limited													-	(2.27)	(2.27)
Other Financial Assets (Liabilities) and Other Assets (Liabilities)															
1 Arrow Remedies Private Limited	1.18	-	-	-	0.36	-									
2 Arrow Pharmaceuticals Pty Limited	46.08	-	-												
3 Beltapharm S.p.A				(0.14)	-	0.02									
4 Chemsynth Laboratories Private Limited				23.04	22.88	-									
5 Fagris Medica Private Limited	0.02	-	-	-	9.82	3.21									
6 Stelis Biopharma Private Limited*	-	-	98.74	-	461.36	-	27.85	-	-						
7 Stelis Biopharma (Malaysia) SDN BHD	-	-	0.76												
8 Strides Africa Limited	-	3.98	3.76												
9 Strides CIS Limited	(22.80)	-	-												
10 Strides Emerging Markets Private Limited	224.27	201.16	178.58												
11 Strides Pharma Limited	(28.53)	15.16	47.16												
12 Strides Pharma Asia Pte Limited	-	23.22	65.17												
13 Strides Pharma (Cyprus) Limited	11.17	13.21	(1.04)												

Notes
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Related party balances as at March 31, 2017 (Contd.)

₹ In Million

	Wholly Owned Subsidiaries			Other Subsidiaries			Associates			KMP / Relatives of KMP			Enterprises owned or significantly influenced by KMP or their relatives		
	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
14 Strides Pharma Global Pte Limited	15.86	177.68	15.08												
15 Strides Pharma Inc.	44.71	-	(34.70)												
16 Strides Vital Nigeria Limited				-	2.01	1.80									
17 Strides Biologix Private limited				-	6.27	-							3.42	-	-
18 Shasun USA Inc.	-	2.58	-												
19 Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	193.08	-												
20 Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited)	-	-	2.49												
21 Strides Pharmaceuticals (Holdings) Limited	-	-	4.42												
22 SVADS Holdings SA	40.08	-	-												
23 Mr. Badree Komandur										0.05	(10.13)	-			
24 Mr. Arun Kumar										-	(12.50)	(16.75)			
25 Mr. S Abhaya Kumar										-	(4.93)	-			
Guarantees given on behalf of															
1 Arrow Pharmaceuticals Pty Limited	4,540.20	4,638.19	-												
2 Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	1,697.10	-												
3 Stelis Biopharma Private Limited*	-	-	750.00	-	750.00	-	3,798.42	-	-						
4 Stelis Biopharma (Malaysia) SDN BHD	-	-	1,843.60												
5 Strides Emerging Markets Private Limited	150.00	150.00	-												
6 Strides Pharma Limited	13,085.08	17,870.34	16,707.68												
7 Strides Pharmaceuticals (Holdings) Limited	-	-	1,562.38												
8 Strides Pharma Asia Pte Limited	22,855.76	16,896.30	15,936.23												
9 Strides Pharma Inc.	972.90	-	-												
10 Strides Pharma (Cyprus) Limited	486.45	-	374.97												
11 Strides Pharma Global Pte Limited	6,120.39	10,204.04	-												

* Refer Note 8 (i) note (ii)

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Related party transactions for the year ended March 31, 2017

₹ In Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Sales of materials/services								
1 Arrow Pharmaceuticals Pty Limited	258.51	5.25						
2 Beltapharm S.p.A.			0.34	1.40				
3 Lifecell International Private Limited							-	0.16
4 Nutra Specialities Priavte Limited							8.57	1.21
5 Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited)	348.86	332.43					-	-
6 Sequent Scientific Limited	-	-					1.45	49.46
7 Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	51.31						
8 Shasun USA Inc.	-	74.81						
9 Stabilis Pharma Inc.	-	4.72						
10 Strides Emerging Markets Private Limited	18.33	5.18						
11 Strides Pharma (Cyprus) Limited	832.65	1,281.69						
12 Strides Pharma Global Pte Limited	3,178.98	2,501.22						
13 Strides Pharma Inc.	58.01	-						
14 SVADS Holding SA	63.36	-						
15 Strides CIS Limited	81.41	-						
16 Universal Coporation Limited	-	-	16.39	-				
Royalty income								
1 Strides Pharma Global Pte Limited	435.62	87.26	-	-				
Sale of Intellectual Property Rights								
1 Strides Pharma Global Pte Limited	147.70	-	-	-				
Sale of Business								
1 Strides Biologix Private limited	-	-	30.50	-				
Interest received								
1 Arrow Remedies Private Limited	0.05	-	0.07	0.28				
2 Fagris Medica Private Limited	0.30	-	2.08	1.36				
3 Stelis Biopharma Private Limited*	-	-	24.00	-				
4 Strides Healthcare Private Limited	-	-	1.78	2.28				
5 Strides Biologix Private limited	-	-	0.42	-				
6 SVADS Holding SA	6.41	10.04	-	-				

Notes
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Related party transactions for the year ended March 31, 2017

₹ In Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Guarantee Commission received								
1 Arrow Pharmaceuticals Pty Limited	42.94	16.66						
2 Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	9.98					4.42	-
3 Stelis Biopharma (Malaysia) SDN BHD	-	0.53						
4 Stelis Biopharma Private Limited*	-	6.29	20.47	1.23				
5 Strides Emerging Markets Private Limited	0.93	0.51						
6 Strides Pharma Asia Pte Limited	219.92	167.00						
7 Strides Pharma (Cyprus) Limited	0.49	2.82						
8 Strides Pharma Global Pte Limited	66.00	54.11						
9 Strides Pharma International Limited	-	8.41						
10 Strides Pharma Limited	133.64	170.02						
11 Strides Pharma Inc.	2.40	-						
12 SVADS Holdings SA	8.24	-						
Support service income from								
1 Arrow Pharma Pte Limited	0.97	-	3.02	-				
2 Arrow Pharmaceuticals Pty Limited	29.07	-	-	-				
3 Fagris Medica Private Limited	0.08	-	0.83	1.20				
4 Stelis Biopharma Private Limited*	-	-	9.60	2.27				
5 Strides Biologix Private Limited	-	-	0.90	0.56				
6 Strides Emerging Markets Private Limited	9.60	9.60	-	-				
7 Strides Healthcare Private Limited	-	-	0.90	1.20				
8 Strides Pharma Global Pte Limited	8.58	13.68						
Rental income from operating leases								
1 Arrow Remedies Private Limited	0.06	-						
2 Chayadeep Properties Private Limited	-	-					0.97	-
3 Fagris Medica Private Limited	0.01	-	0.06	-			-	-
4 Sequent Scientific Limited	-	-	-	-			0.51	2.00
5 Strides Biologix Private Limited	-	-	0.11	0.06				
6 Strides Emerging Markets Private Limited	0.17	-	-	-				
7 Strides Healthcare Private Limited	-	-	0.25	0.50				

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Related party transactions for the year ended March 31, 2017

₹ In Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Other income from								
1 Sequent Scientific Limited							2.12	8.48
Purchase of materials/services								
1 Beltapharm S.p.A.			2.79	3.31				
2 Fagris Medica Private Limited			3.59	1.57				
3 Nutra Specialities Private Limited							8.40	8.16
4 Sequent Research Limited							14.00	14.38
5 Sequent Scientific Limited							826.77	743.75
6 Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	2.87						
7 Strides Emerging Markets Private Limited	293.04	293.86	-	-				
8 Strides Vital Nigeria Limited	-	-	0.03	-				
Compensation received from vendors for breach of contracts for material supplies:								
1 Shasun Leasing and Finance Limited							808.47	
2 Devendra Estates LLP							69.20	
Royalty expenses to								
1 Nutra Specialities Private Limited							-	0.45
2 Strides Biologix Private Limited			4.73	0.89				
3 Strides Healthcare Private Limited			13.64	13.40				
Purchase of Assets from								
1 Arrow Remedies Private Limited	1.31	-						
Purchase of Business								
1 Fagris Medica Private Limited	30.45	-						
Short Term Employee Benefits paid to (Refer note (i) below)								
1 Mr. Arun kumar					40.00	52.50		
2 Mr. Badree Komandur					28.23	26.59		
3 Ms. Manjula Ramamurthy					0.48	-		
4 Mr. Shashank Sinha					28.85	-		
5 Mr. S Abhaya Kumar					33.73	21.17		
6 Mr. Aditya Arun Kumar					1.71	1.22		
Sitting Fees paid to								
1 Mr. Deepak Vaidya					0.65	0.45		
2 Mr. M.R. Umarji					0.65	0.40		
3 Mr. A.K.Nair					0.40	0.45		
4 Mr. P.M.Thampi					0.50	0.30		
5 Mr. S.Sridhar					0.65	0.45		
6 Mrs. Sangita Reddy					0.20	0.10		
7 Mr. Bharat Shah					0.60	0.35		

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Related party transactions for the year ended March 31, 2017

₹ In Million

Nature of Transactions		Wholly Owned Subsidiaries		Other Subsidiaries		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Reimbursement of Expenses Incurred by									
1	Arrow Pharmaceuticals Pty Limited	-	29.01						
2	Beltapharm S.p.A.			-	1.84				
3	Strides CIS Limited	0.54	-						
4	Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	14.77						
5	Shasun USA Inc	-	97.43						
6	Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited)	4.19	-						
7	Strides Pharma (Cyprus) Limited	-	3.34						
8	Strides Pharma Inc.	102.79	-						
Reimbursement of Expenses Incurred on behalf of									
1	Arrow Pharmaceuticals Pty Limited	25.22	1.98						
2	Arrow Remedies Private Limited	0.05	-	0.94	0.11				
3	Fagris Medica Private Limited	0.03	-	0.71	0.09				
4	Sequent Scientific Limited							-	0.15
5	Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	14.16						
6	Shasun USA Inc	3.57	-						
7	Stelis Biopharma Private Limited*	-	17.35	39.93	5.65				
8	Strides Biologix Private Limited			1.57	0.10				
9	Strides CIS Limited	0.53	-						
10	Strides Emerging Markets Private Limited	25.76	5.69						
11	Strides Healthcare Private Limited (formerly Strides Actives Private Limited)			1.52	-				
12	Strides Pharma Global Pte Limited	71.32	135.06						
13	Strides Pharma (Cyprus) Limited	2.91	11.68						
14	Strides Pharma Inc.	74.83	-						
15	Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited)	-	0.38						
16	Strides Vital Nigeria Limited			1.53	0.01				
17	Universal Corporation Limited			4.85	-				
18	SVADS Holdings SA	6.74	11.90						

Notes
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Related party transactions for the year ended March 31, 2017

₹ In Million

Nature of Transactions		Wholly Owned Subsidiaries		Other Subsidiaries		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Rent Paid									
1	Atma Projects							54.20	23.06
2	Chayadeep Properties Private Limited							6.79	6.35
3	Devendra Estate Private Limited							2.78	2.70
Sales Commission									
1	Shasun USA Inc	38.68	45.11						
Write off of Advances									
1	Strides Africa Limited	3.61	-						
Loans / advances given / repaid by Company									
1	Arrow Remedies Private Limited			2.40	10.50				
2	Fagris Medica Private Limited			6.25	22.40				
3	Stelis Biopharma Private Limited*	-	553.50	1.43	70.00				
4	Strides Biologix Private Limited			3.70	2.27				
5	Strides Emerging Markets Private Limited	-	66.95						
6	SVADS Holding SA	86.02	137.87						
7	Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	258.04						
8	Chemsynth Laboratories Private Limited			0.15	0.50				
Loans / advances taken by Company / repaid to Company									
1	Arrow Remedies Private Limited	1.31	-	0.40	10.50				
2	Fagris Medica Private Limited	-	-	1.50	-				
3	Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	205.02						
4	Stelis Biopharma Private Limited*	-	193.00	518.33	70.00				
5	SVADS Holding SA	219.41	-	-	-				
6	Strides Healthcare Private Limited			-	10.88				
Investments during the period									
1	Fagris Medica Private Limited	9.40	-						
2	Stelis Biopharma Private Limited*			352.00	-				
3	Strides Healthcare Private Limited								
4	Strides Pharma Asia Pte Limited	-	3,087.02						
5	Strides Consumer Private Limited	0.10	-						
6	Solara Active Pharma Sciences Limited	0.10	-						
7	Strides Biologix Private Limited			-	52.30				

Notes
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₹ In Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Investments sold to								
1 Strides Arcolab International Limited	230.06	-						
2 Tenshi Kaizen Private Limited							27.00	-
Share application money paid								
1 Strides Pharma Asia Pte Limited	784.80	2,814.04						
2 Stelis Biopharma Private Limited*	-	90.00						
3 Strides Arcolab International Limited	-	1,578.34						
Refund of Share application money								
1 Strides Arcolab International Limited								
2 Strides Pharma Asia Pte Limited								
3 Stelis Biopharma Private Limited*	-	90.00						
Lease deposit paid								
1 Atma Projects							-	43.84
Donation Paid								
1 Shasun Foundation Trust							-	1.70
2 Strides Foundation Trust							17.30	19.60

* Refer Note 8 (i) note (ii)

Note (i): The compensation excludes gratuity & compensated absences which cannot be separately identified from the composite amount advised by the actuary.

Notes
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Note No. 46 Operating lease arrangements

A. The Company as lessee:

Leasing arrangement

The Company's significant leasing arrangements are mainly in respect of factory land and buildings, residential and office premises. The aggregate lease rentals payable on these leasing arrangements charged to the Statement of Profit and Loss (including charge on lease rentals related to discontinued operations) is ₹ 154.59 Million (Previous year ₹ 106.69 Million)

Non-cancellable operating lease commitments

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Not later than 1 year	39.82	100.16	23.44
Later than 1 year and not later than 5 years	20.9	66.47	15.11
Later than 5 years	-	-	-
Total	60.72	166.63	38.55

Leasing arrangement

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

Finance lease liabilities

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Future minimum lease payments:			
Not later than one year	22.20	22.20	-
Later than one year but not later than 5 years	44.40	66.60	-
Later than 5 years	-	-	-
Total	66.60	88.80	-
Less: Unmatured finance charges	(9.98)	(16.87)	-
Present value of minimum lease payments payable	56.62	71.93	-
Up to one year	16.98	15.32	-
From one year to five years	39.64	56.61	-
Above five years	-	-	-

B. The Company as lessor:

Leasing arrangement

The Company has entered into operating lease arrangement for lease of factory land and 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:

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Gross carrying amount of assets leased	776.40	776.40	776.40
Accumulated depreciation	77.67	38.84	-
Future minimum lease income:			
Not later than one year	56.08	54.44	49.91
Later than one year but not later than 5 years	200.49	245.33	231.44
Later than 5 years	-	11.24	78.03
Total	256.57	311.01	359.38

Notes

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Note No. 47 Earnings per share

₹

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Basic earnings per share:		
From continuing operations	13.74	15.98
From discontinued operations	(1.59)	(0.21)
Total basic earnings per share	12.15	15.77
Diluted earnings per share:		
From continuing operations	13.71	15.88
From discontinued operations	(1.59)	(0.21)
Total diluted earnings per share	12.12	15.67

Earnings used in computing basic and diluted earnings per share

₹ In Million

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Profit attributable to the equity holders of the company		
From continuing operations	1,227.68	1,319.33
From discontinued operations	(142.31)	(17.33)
Total operations	1,085.37	1,302.00

Weighted average number of shares used as the denominator

Particulars	For the year ended 31-Mar-17	For the year ended 31-Mar-16
Weighted average number of equity shares used as denominator in calculating basic earnings per share	89,368,039	82,586,575
Adjustments for calculation of diluted earnings per share:		
- employee stock options	179,220	234,663
- Share warrants	-	273,895
Weighted average number of equity shares used as denominator in calculating diluted earnings per share	89,547,259	83,095,133

Note No. 48 Financial instruments

48.1 Categories of financial instruments

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Financial assets:			
Measured at fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
(i) Equity investments	-	-	-
(ii) Investment in Mutual funds	12,795.38	11,390.99	5,995.17
(b) Derivative financial assets	44.42	-	-
Measured at amortised cost			
(a) Cash and bank balances	949.19	943.44	742.95
(b) Other financial assets at amortised cost	6,275.81	8,840.36	3,650.45
Measured at FVTOCI			
(a) Fair value of derivatives designated in a cash flow hedge	340.48	139.72	90.40
(b) Investments in certain equity instruments designated upon initial recognition	-	-	-

Notes
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48.1 Categories of financial instruments (Contd.)

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Financial liabilities:			
Measured at fair value through profit or loss (FVTPL)			
(a) Put option liaiblity	175.11	149.67	133.44
(b) Derivative financial liabilities	16.76	-	-
Measured at amortised cost			
(a) Borrowings	16,080.28	15,446.57	4,051.56
(b) Other Financial Liabilities	5,238.14	5,347.98	2,078.01

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

₹ In Million

Financial assets / financial liabilities	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)
	31-Mar-17	31-Mar-16	01-Apr-15		
Financial assets:					
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	340.48	139.72	90.40	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.
Foreign currency forward contracts designated as at FVTPL	44.42	-	-	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.
Investment in Mutual fund (quoted)	12,795.38	11,390.99	5,995.17	Level 1	Fair value is determined based on the Net asset value published by respective funds.
Financial liabilties:					
Interest rate swaps designated as at FVTPL	16.76	-	-	Level 2	Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties."
Put option liability	175.11	149.67	133.44	Level 3	The said obligation under put options are valued using Black scholes model. Significant unobservable inputs used for the said valuation are voltality and risk free interest rate (Discount rate). Refer below for the sensitivity analysis of unobservable inputs.

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Sensitivity of Unobservable inputs used in Level 3 Fair value measurements
Change in Voltality of the Stock price:
5% change in the voltality of the stock price doesn't significantly affect option liability.

Change in Discount rate:
If the discount rate increases (decrease) by 1%, the Put option liability would be

₹ 171.11 Million (₹ 179.24 Million) as at March 31, 2017;

₹ 144.86 Million (₹ 154.68 Million) as at March 31, 2016;

₹ 127.93 Million (₹ 139.25 Million) as at April 1, 2015.

Reconciliation of Level 3 fair value measurements

₹ In Million

Particulars	31-Mar-17	31-Mar-16
Opening balance	149.67	133.44
Gains or losses:		
- in statement of profit or loss	25.44	16.23
- in other comprehensive income	-	-
Closing balance	175.11	149.67

The above said gain / loss on fair valuation of options is recognised in Statement of Profit and Loss under "Exceptional items".

48.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Company considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortized cost will reasonably approximate their fair values.

₹ In Million

Particulars	31-Mar-17		31-Mar-16		01-Apr-15	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Borrowings	16,080.28	16,237.53	15,446.57	15,649.96	4,051.56	4,051.56

Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purposes maybe undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

48.3 Foreign currency risk management

The Company is exposed to foreign exchange risk due to:

- debt availed in foreign currency
- net investments in subsidiaries and joint ventures that are in foreign currencies
- exposure arising from transactions relating to purchases, revenues, expenses, etc., to be settled (within and outside the group) in currencies other than the functional currency of the respective entities

Exchange rate exposures are managed within approved policy parameters by utilising forward foreign exchange contracts.

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48.3.1 Forward foreign exchange contracts

It is the policy of the company to enter into forward foreign exchange contracts to cover the following:

a. repayments of specific foreign currency borrowings.

b. the risk associated with anticipated sales and purchase transactions out to 6 months within 50% to 70% of the exposure generated.

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

Contracts designated in a Cash flow hedge

Outstanding contracts	Underlying Exposure	Average exchange rate (in ₹)	Foreign currency (USD In Million)	Nominal amounts (₹ In Million)	Fair value assets (liabilities) (₹ In Million)
As at March 31, 2017					
Sell USD	Forecast sales				
Less than 3 months		70.37	21.00	1,477.73	103.45
3 to 6 months		70.13	34.00	2,384.54	131.98
6 to 12 months		70.74	28.00	1,980.72	105.05
Total			83.00	5,842.99	340.48
As at March 31, 2016					
Sell USD	Forecast sales				
Less than 3 months		69.43	24.00	1,666.43	49.88
3 to 6 months		71.19	30.00	2,135.77	33.08
6 to 12 months		69.05	24.00	1,657.26	56.76
Total			78.00	5,459.46	139.72
As at April 01, 2015					
Sell USD	Forecast sales				
Less than 3 months		65.74	25.00	1,643.62	41.04
3 to 6 months		66.37	26.00	1,725.50	31.82
6 to 12 months		65.08	23.00	1,496.88	17.54
Total			74.00	4,866.00	90.40

Contracts not designated in a Cash flow hedge

Amounts In Million

Amount	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
Exposure to the Currency	**in foreign Currency**	**in ₹**	**in foreign Currency**	**in ₹**	**in foreign Currency**	**in ₹**
Trade receivables hedged with forward contract with maturity less than 3 months	9.00	44.42	-	-	-	-

The line-items in the balance sheet that include the above hedging instruments are "Other financial assets (Refer note 10(ii)".

The details of Unhedged foreign currency exposure are as follows:

Amounts In Million

Amount receivable/(payable)	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
Exposure to the Currency	**in foreign Currency**	**in ₹**	**in foreign Currency**	**in ₹**	**in foreign Currency**	**in ₹**
USD	(122.02)	(7,916.26)	(102.78)	(6,811.26)	(35.38)	(2,211.47)
AUD	0.02	0.70	2.51	127.06	2.09	98.76
EUR	3.14	216.86	3.02	227.51	3.14	210.01
CAD	0.78	37.93	0.60	30.62	0.23	11.23
GBP	3.32	270.31	7.84	745.29	0.32	29.48
SGD	0.00	0.02	-	(0.04)	0.01	0.23
JPY	5.92	3.45	(3.31)	(1.95)	-	-
CHF	0.00	0.23	0.03	1.99	-	-

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48.3.2 Foreign currency sensitivity analysis

Financial instruments affected by changes in foreign exchange rates include External Commercial Borrowings (ECBs), loans in foreign currencies to subsidiaries and joint ventures. The Company considers US Dollar and the Euro to be principal currencies which require monitoring and risk mitigation. The Company is exposed to volatility in other currencies including the Great Britain Pounds (GBP) 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:

₹ In Million

Particulars	Increase / (Decrease) in Equity		
	31-Mar-17	31-Mar-16	01-Apr-15
Appreciation in the USD	(395.81)	(340.56)	(110.57)
Depreciation in the USD	395.81	340.56	110.57
Appreciation in the EUR	10.84	11.38	10.50
Depreciation in the EUR	(10.84)	(11.38)	(10.50)
Appreciation in the AUD	0.03	6.35	4.94
Depreciation in the AUD	(0.03)	(6.35)	(4.94)
Appreciation in the GBP	13.52	37.26	1.47
Depreciation in the GBP	(13.52)	(37.26)	(1.47)

The impact on profit has been arrived at by applying the effects of appreciation / deprecation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purposes of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of the respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at each year end.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting period might not reflect the exposure during the year.

48.4 Interest rate risk management

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. The company mitigates its interest rate risk by entering into interest rate Swap contracts.

48.4.1 Interest rate sensitivity analysis

Financial instruments affected by interest rate changes include Secured Long term loans from banks, Secured Long term loans from others, Unsecured Long term loans, Secured Short term loans from banks and Unsecured Short term loans from banks and others. The impact of a 1% change in interest rates on the profit of an annual period will be ₹ 161.78 Million (March 31, 2016: ₹ 156.91 Million) assuming the loans as at each year end remain constant during the respective years.

This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets.

"The change in sensitivity to interest rate is attributed to the following:

a. new acquisitions in the current year.

b. hedging instruments taken to fix certain variable interest loans

48.4.2 Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

The following tables detail the nominal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

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Not Designated in a Cash Flow Hedge

a) Borrowing in USD floating rate swaped for repayment in USD fixed rate:

₹ In Million

Outstanding receive floating pay fixed contracts	Average contracted fixed interest rate	Nominal amounts (₹)	Fair value assets (liabilities)
Less than 1 year	-	-	-
1 to 2 years	-	-	-
2 to 5 years	-	-	-
5 years +	2.15%	3,048.89	(16.76)
Total		3,048.89	(16.76)

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as FVTPL.

The line-item in the balance sheet that includes the above instruments is "Other financial liabilities (Refer note 21(ii)".

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Company will settle the difference between the fixed and floating interest rate on a net basis.

48.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit Risk to the company primarily arises from trade receivables. Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions and other financial assets.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. The Company has an internal mechanism of determining the credit rating of the customers and setting credit limits. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The credit risk arising from receivables is subject to currency risk in that the receivables are predominantly denominated in USD, AUD and GBP and any appreciation in the 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.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

48.6 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. A portion of the company's surplus cash is retained as investments in Liquid Mutual Funds to fund short term requirements.

48.6.1 Liquidity analysis for Non-Derivative Liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

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₹ In Million

Financial Liabilities	Due within (years) 1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5	Total	Carrying Amount
Bank & other borrowings								
- As on March 31, 2017	8,390.69	1,364.97	1,706.16	1,808.88	859.45	2,107.38	16,237.53	16,080.28
- As on March 31, 2016	6,842.95	2,114.54	1,497.44	1,737.17	1,340.20	2,117.66	15,649.96	15,446.57
- As on April 01, 2015	2,409.11	782.37	860.00	0.08	-	-	4,051.56	4,051.56
Interest payable on borrowings								
- As on March 31, 2017	46.47	-	-	-	-	-	46.47	46.47
- As on March 31, 2016	93.40	-	-	-	-	-	93.40	93.40
- As on April 01, 2015	25.72	-	-	-	-	-	25.72	25.72
Trade and other payable not in net debt								
- As on March 31, 2017	5,153.80	-	-	-	-	48.28	5,202.08	5,191.67
- As on March 31, 2016	5,211.81	-	-	-	-	55.45	5,267.26	5,254.58
- As on April 01, 2015	2,017.71	-	-	-	-	49.25	2,066.96	2,052.29

Liquidity analysis for derivative financial instruments-

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. Outflows are represented in brackets in table below:

₹ In Million

Particulars	less than 3 months	3 to 6 months	6 months to 1 year	1-5 years	5+ years
March 31, 2017					
Net settled:					
- interest rate swaps	-	-	-	-	(16.76)
- foreign exchange forward contracts	103.45	131.98	105.05	-	-
Gross settled:					
- foreign exchange forward contracts	-	-	-	-	-
- currency swaps	-	-	-	-	-
- Derivatives over equity of subsidiaries	-	-	-	(175.11)	-
Total	**103.45**	**131.98**	**105.05**	**(175.11)**	**(16.76)**
March 31, 2016					
Net settled:					
- interest rate swaps	-	-	-	-	-
- foreign exchange forward contracts	49.88	33.08	56.76	-	-
Gross settled:					
- foreign exchange forward contracts	-	-	-	-	-
- currency swaps	-	-	-	-	-
- Derivatives over equity of subsidiaries	-	-	-	(149.67)	-
Total	**49.88**	**33.08**	**56.76**	**(149.67)**	**-**
April 01, 2015					
Net settled:					
- interest rate swaps	-	-	-	-	-
- foreign exchange forward contracts	41.04	31.82	17.54	-	-
Gross settled:					
- foreign exchange forward contracts	-	-	-	-	-
- currency swaps	-	-	-	-	-
- Derivatives over equity of subsidiaries	-	-	-	(133.44)	-
Total	**41.04**	**31.82**	**17.54**	**(133.44)**	**-**

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Note No. 49 Capital management

The Company manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.The capital structure of the Company consists of net debt (borrowings as detailed in notes 20 and 21(ii) offset by cash and bank balances) and total equity.

The Company reviews the capital structure on a semi-annual basis to ensure that it in compliance with the required covenants. The Company has a target gearing ratio of 1:1 determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2017 is 0.07.

The Company is not subject to any externally imposed capital requirements.

49.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

₹ In Million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Debt (i)	16,080.28	15,446.57	4,051.56
Less:			
Investment in Mutual funds	12,795.38	11,390.99	5,995.17
Cash and bank balances	949.19	943.44	742.95
Net Debt (A)	**2,335.71**	**3,112.14**	**(2,686.56)**
Total Equity (B)	**32,325.27**	**31,576.26**	**15,009.28**
Net debt to equity ratio (A/B)	0.07	0.10	(0.18)

(i) Debt is defined as long-term borrowings, current maturities of long-term borrowings and short-term borrowings.

Note No. 50 Segment Information

Since the Company prepares consolidated financial statements, segment information has not been provided in these standalone financial statements.

Note No. 51 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. 52 Other Matters

(a) In respect of freehold land to the extent of 7.20 acres (as at March 31, 2017 gross block and net block amounting to ₹ 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 52.01 acres (as at March 31, 2017 gross block ₹ 1,302.05 Million and net block of ₹ 1,052.40 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 freehold land admeasuring 0.6 acres (as at March 31, 2017 gross block and net block amounting to ₹ 0.81 Million) capitalised in the books of the Company, the title deeds are not in the name of the Company. The Company is in the process of transferring the title deeds of such land in its name.

(d) In respect of building admeasuring 750 sq. ft. (as at March 31, 2017 gross block of ₹ 3.55 Million and net block ₹ 1.30 Million) capitalised in the books of the Company, the title deeds are not in the name of the Company. The Company is in the process of transferring the title deeds of such building in its name

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Note No. 53 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 material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note No. 54 Proposed dividend

In respect of the current year, the directors propose that a dividend of ₹ 4.50 per share be paid on equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting (AGM) and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on the date of AGM. The total estimated equity dividend to be paid is ₹ 402.40 Million. The payment of this dividend is estimated to result in payment of dividend tax @ 20.36% on the amount of dividends grossed up for the related dividend distribution tax.

Equity History of the Company

Date	Particulars	Number of Shares Issued	Cumulative Number of Shares Issued	Face Value per share (₹)	Equity Share Capital issued (₹)	Equity Share Capital (Cumulative) (₹)
28-Jun-90	Subscribers to Memorandum of Association	50	50	100	5,000	5,000
31-Jan-91	Preferential Issue	4,010	4,060	100	401,000	406,000
29-Mar-91	Preferential Issue	1,940	6,000	100	194,000	600,000
31-Mar-92	Preferential Issue	4,000	10,000	100	400,000	1,000,000
28-Jan-93	Preferential Issue	15,000	25,000	100	1,500,000	2,500,000
11-Mar-94	Preferential Issue	20	25,020	100	2,000	2,502,000
11-Apr-94	Reclassification of nominal value of shares from ₹ 100 each to ₹ 10 each	-	250,200	10	-	2,502,000
30-Apr-94	Issue of Bonus Shares	1,251,000	1,501,200	10	12,510,000	15,012,000
01-Sep-94	Preferential Issue	1,160,300	2,661,500	10	11,603,000	26,615,000
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 & Pharma Limited consequent to its amalgamation with the Company.	210,955	16,974,466	10	2,109,550	169,744,660
14-Feb-02	Preferential Issue	13,714,286	30,688,752	10	137,142,860	306,887,520
11-Dec-03	Preferential Issue on conversion of warrants	3,068,875	33,757,627	10	30,688,750	337,576,270
02-Feb-05	Preferential Issue	1,196,662	34,954,289	10	11,966,620	349,542,890
05-Jul-07	Preferential Issue on conversion of warrants	50,000	35,004,289	10	500,000	350,042,890
08-Mar-08	Preferential Issue on conversion of Convertible Debentures	4,000,000	39,004,289	10	40,000,000	390,042,890
17-Jun-08	Preferential Issue on conversion of Convertible Debentures	1,045,725	40,050,014	10	10,457,250	400,500,140

Equity History of the Company

Date	Particulars	Number of Shares Issued	Cumulative Number of Shares Issued	Face Value per share (₹)	Equity Share Capital issued (₹)	Equity Share Capital (Cumulative) (₹)
13 Aug 2009 to 03 Dec 2009	Allotment under ESOP	165,600	40,215,614	10	1,656,000	402,156,140
19-Jan-10	Allotment to erstwhile shareholders of Grandix Pharmaceuticals Limited consequent to its amalgamation with the Company.	12,822	40,228,436	10	128,220	402,284,360
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 10 to 24 Aug 10	Allotment under ESOP	492,000	43,701,138	10	4,920,000	437,011,380
26-Aug-10	Preferential Issue on conversion of warrants	3,220,000	46,921,138	10	32,200,000	469,211,380
1-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
7-Mar-16	Allotment under ESOP	75,000	89,345,978	10	750,000	893,459,780
5-May-16	Allotment under ESOP	20,000	89,365,978	10	200,000	893,659,780
28-Oct-16	Allotment under ESOP	2,717	89,368,695	10	27,170	893,686,950
11-Feb-17	Allotment under ESOP	4,311	89,373,006	10	43,110	893,730,060
16-Mar-17	Allotment under ESOP	50,000	89,423,006	10	500,000	894,230,060

Notes

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Nagar 7th Phase, Bannerghatta Road,
Bangalore – 560 076

27, Vandaloor Kelambakkam Road,
Keelakottaiyur Village, Melakottaiyur (PO),
Chennai - 600 127.

STATUTORY AUDITORS
Retiring Auditor:
Deloitte Haskins & Sells
Deloitte Centre, Anchorage II, 100/2,
Richmond Road, Bengaluru 560 025

Incoming Auditor:
BSR & Co. LLP
Maruti Info - Tech Centre
11-12/1 Inner Ring Road,
Koramangla, Bengaluru 560 071

INTERNAL AUDITORS
Grant Thornton India LLP
WINGS, First Floor,
16/1, Cambridge Road,
Halasuru, Bengaluru – 560 008.

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: raju.sv@karvy.com

BANKERS AND FINANCIAL INSTITUTIONS
Axis Bank Limited
RBL Bank
Yes Bank Limited
Export-Import Bank of India
ICICI Bank Limited
State Bank of India
Barclays Bank
Union Bank of India
Deutsche Bank
HDFC Bank
Citi Bank
Aditya Birla Finance Limited

GLOBAL FACILITIES

India

Oral Dosage Facility
1. Strides Shasun Limited
KRS Gardens, Suragajakkanahalli,
Kasaba Hobli, Anekal Taluk,
Bengaluru – 562 106, India

2. Strides Emerging Markets Private Limited
#19/1,19/3, Chandapura, Sarjapura
Hobli, Anekal taluk,
Bengaluru -560 099, India

3. Vivimed Life Sciences Private Limited
Plot no. 101 to 108, Sidco Industrial Estate,
Alathur village,
Kancheepuram - 603 110

Multi Product Facility
Strides Shasun Limited
No.A1/B, SIPCOT Industrial Complex
Kudikadu, Cuddalore – 607 005, India

Finished Dosage Facility
Strides Shasun Limited
PIMS Road, Periyakalapet

API Facility
1. Strides Shasun Limited
Mathur Road, Periyakalapet
Puducherry – 605 014, India

2. Strides Chemicals Private Limited
(Formerly, Perrigo API India Private Limited)
Plot No.-N39/N39-1, Additional MIDC, Anand
Nagar, Ambernath (E),
PIN - 421 506, India

Europe

Semi-Solids Facility
Beltapharm SpA,
20095 Cusano MIL,
Via Stelvio, 66, Italy

Africa

Semi-Solids Facility
Universal Corporation Limited
Club Road, Past Post Office, Plot No.
13777, P.O.Box 1748- 00902, Kikuyu Town,
Kenya

GLOBAL OFFICES

Singapore
3 Tuas South Avenue 4,
Singapore – 637610

Australia
Level 18, 530 Collins Street,
Melbourne, Vic 3000

USA
2 Tower Center Blvd., Suite: 1102
East Brunswick, NJ 08816.

197, Rt 18 South, Suite 102,
East Brunswick, NJ 08816.

United Kingdom
Unit 4, Metro Centre, Tolpits Lane,
Watford, Hertfordshire, WD18 9SS, UK.

Switzerland
Rue Fritz-Cournvoisier 40
2300 La Chaux-De-Fonds
Suisse, Switzerland.

Sri Lanka
No.104, 1/3, Pagoda Road,
Pitakotte- 10100,
Colombo, Sri Lanka

Philippines
Unit 1010, Antel Global Corporate Centre,
Julia Vargas Avenue, Ortigas Central Business
District, Metro Manila
Pasig City 1605

Cambodia
No.43-A, Street No.420,
Sangkat Boeung Trabek
Khan Chamkarmon, Phnom Penh,
Cambodia

Strides Shasun

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

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Sector 17, Vashi,
Navi Mumbai 400 703, India.
Tel.: +91 22 27892924
Fax No. +91 22 27892942
Email: info@stridesshasun.com
Website: www.stridesarco.com