Stelis Biopharma Private Limited
Balance Sheet

Rs. in Million

	Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A	**ASSETS**				
I	**Non-current assets**				
	(a) Property, plant and equipment	**4A**	254.31	276.19	311.00
	(b) Capital work in progress		1,827.11	122.48	-
	(c) Other intangible assets	**4A**	0.62	0.88	1.23
	(d) Intangibles assets under development	**4B**	1,023.05	790.80	566.41
	(e) Financial assets				
	(i) Investments	**5**	-	96.46	267.92
	(ii) Other financial assets	**6**	93.15	0.61	0.21
	(f) Deferred tax assets (Net) (refer note 31)		-	-	-
	(f) Other non-current assets	**7**	536.76	424.55	8.44
	Total Non-current assets		**3,735.00**	**1,711.97**	**1,155.21**
II	**Current assets**				
	(a) Inventories	**8**	0.21	0.33	5.93
	(b) Financial assets				
	(i) Investments	**5**	423.90	746.55	-
	(ii) Cash and cash equivalents	**9(A)**	129.00	10.93	26.08
	(iii) Bank balances other than (ii) above	**9(B)**	33.25	-	-
	(c) Other current assets	**7**	17.25	15.40	18.41
	Total current assets		**603.61**	**773.21**	**50.42**
	Total assets		**4,338.61**	**2,485.18**	**1,205.63**
B	**EQUITY AND LIABILITIES**				
I	**Equity**				
	(a) Equity share capital	**10**	3.36	2.78	2.08
	(b) Other equity	**11**	815.08	457.39	318.49
	Total equity		**818.44**	**460.17**	**320.57**
II	**Liabilities**				
	Non-current liabilities				
	(a) Financials Liabilities				
	(i) Borrowings	**12**	3,294.87	1,301.69	724.53
	(ii) Other financial liabilities	**13**	40.30	463.74	98.97
	(b) Provisions	**16**	-	3.99	1.34
	(c) Other non-current liabilities	**14**	6.25	4.05	1.94
			3,341.42	**1,773.47**	**826.78**
	Current liabilities				
	(a) Financials Liabilities				
	(i) Trade payables	**15**	69.69	77.19	13.03
	(ii) Other financial liabilities	**13**	85.36	100.53	10.84
	(b) Provisions	**16**	10.81	4.49	1.06
	(c) Other current liabilities	**14**	12.89	69.33	33.35
			178.75	**251.54**	**58.28**
	Total equity and liabilities		**4,338.61**	**2,485.18**	**1,205.63**

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Sathya P. Koushik
Partner

For and on behalf of Board of Directors

Joe Thomas
Director
DIN : 00468077

Arun Kumar
Director
DIN : 00084845

Stelis Biopharma Private Limited
Statement of Profit and loss

Rs. in Million

Sl No	Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
1	Other income	17	140.55	7.38
2	**Total income**		**140.55**	**7.38**
3	**Expenses**			
	(a) Cost of materials consumed	18(a)	-	-
	(b) Purchase of stock-in-trade		-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	18(b)	-	-
	(d) Employee benefits expenses	19	30.70	48.46
	(e) Finance costs	20	55.14	24.16
	(f) Depreciation and amortisation expense	4A	40.55	41.89
	(g) Other expenses	21	174.59	149.68
	Total expenses		**300.98**	**264.19**
4	**Profit/(loss) before exceptional items and tax (2-3)**		**(160.43)**	**(256.81)**
5	Exceptional items - loss		(4.64)	(171.46)
6	**Profit/(loss) before tax (4+5)**		**(165.07)**	**(428.27)**
7	Tax expense		-	0.37
8	**Profit/(loss) for the year (6-7)**		**(165.07)**	**(428.64)**
9	**Other comprehensive income**			
	A) (i) Items that will not be reclassified to profit or loss		(0.79)	0.48
	A) (ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Total other comprehensive income		**(0.79)**	**0.48**
10	**Total comprehensive income for the period (8+9)**		**(165.86)**	**(428.16)**
11	**Earnings per equity share (of Rs. 10/- each)**			
	- Basic (Rs.)		(560.14)	(1,982.63)
	- Diluted (Rs.)		(560.14)	(1,982.63)

See accompanying notes forming part of the Financial Statements

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

Sathya P. Koushik
Partner

For and on behalf of Board of Directors

Joe Thomas
Director
DIN : 00468077

Arun Kumar
Director
DIN : 00084845

Stelis Biopharma Private Limited.

Cash Flow Statement **Rs. in Million**

Particulars	For the year ended 31 Mar, 2017		For the year ended 31 Mar, 2016	
A. Cash flow from operating activities				
Net Loss before tax		(165.86)		(428.16)
Adjustments for:				
Depreciation and amortisation	40.55		41.89	
Loss on sale / write off of assets	-		1.28	
Loss on sale of investments in subsidiary	4.64		-	
Finance costs	55.14		24.16	
Dividend income	(18.07)		(5.75)	
Impairment of investments in subsidiary (Refer note 5(ii))	-		171.46	
Research and development expenses written off	130.72		106.58	
Liabilities / provisions no longer required written back	-		7.50	
Provision for gratuity & Leave Encashment	(0.49)		1.60	
		212.49		348.72
Operating loss before working capital changes		46.63		(79.44)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	0.12		5.60	
Other assets - current and non-current	(159.24)		(9.20)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables and other liabilities	(94.23)		152.92	
		(253.35)		149.32
Cash generated from operations		**(206.72)**		**69.88**
Net income tax (paid) / refunds		-		-
Net cash flow (used in)/generated by operating activities (A)		**(206.72)**		**69.88**
B. Cash flow from investing activities				
Capital expenditure on fixed assets including capital advance	(2,133.41)		(915.75)	
(Purchase)/Sale of Investment	340.72		(740.80)	
Proceeds from sale of long-term investments in subsidiary	91.82		-	
Net cash flow used in investing activities (B)		**(1,700.87)**		**(1,656.55)**
C. Cash flow from financing activities				
Proceeds from issue of equity shares	469.96		568.83	
Equity Share Application money received	54.16		-	
Loans and advance -Strides shasun limited	(423.44)		364.77	
Excess share application money received to be refunded	-		0.01	
Proceeds of long-term borrowings	1,993.18		663.25	
Finance cost	(34.96)		(19.97)	
		2,058.90		1,576.89
Net cash flow from financing activities (C)		**2,058.90**		**1,576.89**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**151.31**		**(9.78)**
Cash and cash equivalents at the beginning of the year		10.94		20.72
Cash and cash equivalents at the end of the year*		**162.25**		**10.94**
* Cash and cash equivalents comprises:				
(a) Cash on hand		0.07		0.10
(b) Balances with banks - in current accounts and FD		162.18		10.84
		162.25		**10.94**

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

For and on behalf of Board of Directors

Sathya P. Koushik
Partner

Joe Thomas
Director
DIN : 00468077

Arun Kumar
Director
DIN : 00084845

Stelis Biopharma Private Limited
Statement of changes in equity

A. Equity share capital — **Rs. in Million**

Particulars	Amount
As at 1 April 2015	**2.08**
Changes in equity share capital during the year	0.70
As at 31 March 2016	**2.78**
Changes in equity share capital during the year	0.58
As at 31 March 2017	**3.36**

B. Other Equity — **Rs. in Million**

		Reserves and Surplus		Items of other comprehensive income	
	Share application money pending allotment	Securities Premium Reserve	General Reserve	Actuarial Gain / (Loss)	Total
As at 1 April 2015	-	**449.94**	**(131.45)**	**-**	**318.49**
Loss for the period	-	-	(429.71)	-	(429.71)
Add: Issue of equity shares at premium during the year	-	568.13	-	-	568.13
Other Comprehensive Income / (Loss)	-	-	-	0.48	0.48
As at 31 March 2016	**-**	**1,018.07**	**(561.16)**	**0.48**	**457.39**
Loss for the period	-	-	(165.06)	-	(165.06)
Add: Issue of equity shares at premium during the year	-	469.38	-	-	469.38
Share application Money Pending allotment	54.16	-	-	-	54.16
Other Comprehensive Income	-	-	-	(0.79)	(0.79)
As at 31 March 2017	**54.16**	**1,487.45**	**(726.22)**	**(0.31)**	**815.08**

As at 31 March 2017, the Company has received an amount of INR`54.16 Million towards share application money towards 6,494 equity shares of INR 10/- each the Company at a premium of INR 8137.91 per share. The share application money was received from Tenshi Life Sciences Private Limited and the Company is required to complete the allotment formalities by May 26, 2017**.** The Company has sufficient authorised capital to cover the allotment of these shares. Pending allotment of shares, the amounts are maintained in a designated bank account and are not available for use by the Company.

See accompanying notes forming part of the Financial Statements

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

Sathya P. Koushik
Partner

Joe Thomas
Director
DIN : 00468077

Arun Kumar
Director
DIN : 00084845

Note No.

1 General Information

Stelis Biopharma Private Limited (the `Company' or `Stelis') was incorporated in the state of Karnataka on June 12, 2007 with the object of provideding biotechnology process development services for healthcare industries. The Company is an associate of Strides Shasun Limited.

The standalone financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on May 13, 2017.

2 Significant accounting policies

2.1 <u>Statement of compliance</u>

These 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 2.17 for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the Company.

2.2 <u>Basis of preparation and presentation</u>

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

2.3 <u>Non-current assets held for sale</u>

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.

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.

2.4 Revenue recognition

2.4.1 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 Functional Currency

The financial statements are presented in Indian rupees, which is the functional currency of Stelis Biopharma Private Limited. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

2.6 Foreign currencies

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 on monetary items are recognised in statement profit or loss in the period in which they arise except for:

-exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
-exchange differences on transactions entered into in order to hedge certain foreign currency risks; 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), which are recognised initially in other comprehensive income and reclassified from equity to statement of profit or 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 profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

2.7 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.

2.7.1 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.

2.7.2 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 profit or 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.

2.8 Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or 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 benefit 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 profit or loss. Past service cost is recognised in profit or 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 profit or 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 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.

2.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.10.1 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 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.

2.10.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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 of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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.

2.10.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or 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.

2.11 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.

Depreciation is recognised so as to write off the cost of assets (other than 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.

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

Individual assets costing less than Rs. 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.

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 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.

2.12 Intangible assets

2.12.1 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.

2.12.2 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 or loss in the period in which it is incurred.

Expenses capitalised includes directly attributable cost of preparing intangible asset for its intended use and borrowing costs capitalised in accordance with the Company's accounting policy.

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.

2.12.3 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 or loss when the asset is derecognised.

2.12.4 Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method.

2.12.5 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 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.

2.13 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. 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	FIFO basis
Stock in trade	FIFO basis

2.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.15 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

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.

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

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.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost 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.

Equity instruments

An equity instrument is 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.

2.16 Impairment of tangible, intangible assets other than goodwill and financial instruments

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 or 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.

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 though a loss allowance. The Company recognises expected credit losses on financial assets, 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.

2.17 First-time adoption – mandatory exceptions, optional exemptions

2.17.1 Overall principle

The Company has prepared the opening 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.

2.17.2 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).

2.17.3 Accounting for Investment in Subsidiary

The Company has availed the optional exemption under "Ind AS 101 First time Adoption of Indian Accounting standards" with respect to Investments in subsidary. Accordingly, the previous GAAP carrying amount of such investments as on transition date has been taken as deemed cost.

2.17.4 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.

2.17.5 Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all 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.

2.17.6 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.

2.18 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.

2.19 Operating Cycle

As mentioned in para 1 above under `General 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.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, 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.

3.1 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.

3.1.1 Impairment assessment of intangible assets under development

In recognising an intangible asset under development, significant judgments and estimates are involved in assessing the technical feasibility and commercial viability of such products. Further, the impairment assessment of such products are based on significant estimates of expected future cashflows and growth rate.

3.1.2 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.

3.1.3 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.

3.1.4 Provisions and contingent liabilities

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made, Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised or disclosed in the financial statements.

3.1.5 Fair value measurements and valuation processes

Some of the Company’s assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company has set up a valuation committee, which is headed up by the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee’s findings to the board of directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

Stelis Biopharma Private Limited
Notes forming part of financial statements

Note No.

4A Property, Plant and Equipment

Rs. in Million

Particulars	Gross block				Accumulated depreciation / amortisation					Net block	
	As at Apr 1, 2016	Additions	Disposals	As at Mar 31, 2017	As at Apr 1, 2016	Depreciation for the period	Eliminated on disposal of assets	Depreciation charged to retained earnings	As at Mar 31, 2017	As at Mar 31, 2017	As at Mar 31, 2016
Tangible Assets											
Building	40.93	-	-	40.93	4.97	4.95	-	-	9.92	31.01	35.96
	(40.93)	-	-	*(40.93)*	-	*(4.97)*	-	-	*(4.97)*	*(35.96)*	*(40.93)*
Plant and Equipments	259.14	18.00	-	277.14	32.19	31.35	-	-	63.54	213.60	226.95
	(256.76)	*(4.15)*	*(1.77)*	*(259.14)*	-	*(32.34)*	*(0.75)*	*(0.60)*	*(32.19)*	*(226.95)*	*(256.76)*
Office Equipments	3.37	0.07	-	3.44	0.81	0.84	-	-	1.65	1.79	2.56
	(3.08)	*(0.29)*	-	*(3.37)*	-	*(0.81)*	-	-	*(0.81)*	*(2.56)*	*(3.08)*
Computers	5.19	0.34	-	5.53	2.03	2.15	-	-	4.18	1.35	3.16
	(5.50)	*(0.16)*	*(0.47)*	*(5.19)*	-	*(2.44)*	*(0.41)*	-	*(2.03)*	*(3.16)*	*(5.50)*
Furniture and Fixtures	4.57	-	-	4.57	0.41	0.52	-	-	0.93	3.64	4.16
	(4.73)	*(0.19)*	*(0.35)*	*(4.57)*	-	*(0.55)*	*(0.14)*	-	*(0.41)*	*(4.16)*	*(4.73)*
Motor Vehicles	3.83	-	-	3.83	0.43	0.48	-	-	0.91	2.92	3.40
	-	*(3.83)*	-	*(3.83)*	-	*(0.43)*	-	-	*(0.43)*	*(3.40)*	-
Total [A]	**317.03**	**18.41**	**-**	**335.44**	**40.84**	**40.29**	**-**	**-**	**81.13**	**254.31**	**276.19**
Previous Year	***(311.00)***	***(8.62)***	***(2.59)***	***(317.03)***	**-**	***(41.54)***	***(1.30)***	***(0.60)***	***(40.84)***	***(276.19)***	***(311.00)***
Intangible Assets											
Software licences	1.23	-	-	1.23	0.35	0.26	-	-	0.61	0.62	0.88
	(1.23)	-	-	*(1.23)*	-	*(0.35)*	-	-	*(0.35)*	*(0.88)*	*(1.23)*
Total [B]	**1.23**	**-**	**-**	**1.23**	**0.35**	**0.26**	**-**	**-**	**0.61**	**0.62**	**0.88**
Previous Year	***(1.23)***	**-**	**-**	***(1.23)***	**-**	***(0.35)***	**-**	**-**	***(0.35)***	***(0.88)***	***(1.23)***
Grand Total [A+B]	**318.26**	**18.41**	**-**	**336.67**	**41.19**	**40.55**	**-**	**-**	**81.74**	**254.93**	**277.07**
Previous Year	**(312.23)**	**(8.62)**	**(2.59)**	**(318.26)**	**-**	**(41.89)**	**(1.30)**	**(0.60)**	**(41.19)**	**(277.07)**	**(312.23)**

Notes:

Figures in brackets relate to previous year

-
-

Stelis Biopharma Private Limited
Notes forming part of financial statements
Note No.

4B Intangibles under development **Rs. in Million**

Particulars	As at 31 March	As at 31	As at 1
Intangibles under development (Refer note below)	1,023.05	790.80	566.41
	1,023.05	**790.80**	**566.41**

Note:
Based on assessment of above assets for impairment, except for certain assets which were written-off as referred in note 21(i), Company has concluded that recoverable costs of the assets are higher than its carrying value.

5 Investments **Rs. in Million**

Particular	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Qty	Amount Current	Amount Non Current	Qty	Amount Current	Amount Non Current	Qty	Amount Current	Amount Non Current
A. COST									
1. Unquoted Investments (fully paid)									
Investments in equity instruments of subsidiaries									
- Stelis Biopharma (Malaysia) SDN BHD (Refer note (i) and (ii) below)	-	-	-	8,321,375	-	96.46	8,321,375	-	267.92
Investments Carried At Cost [A]	**-**	**-**	**-**	**8,321,375**	**-**	**96.46**	**8,321,375**	**-**	**267.92**
B. Designated as Fair Value Through Profit and Loss									
I. Quoted Investments (fully paid)									
Investments in Mutual Funds									
- SBI Preimium Liquid Fund- Direct Plan - Daily Dividend	-	-	-	251,174	251.99	-	2	-	-
- L&T Preimium Liquid Fund- Direct Plan - Daily Dividend	58,964	59.72	-	-	-	-	-	-	-
- Reliance Mutual Funds - Direct Plan - Daily Dividend	238,222	364.18	-	323,508	494.56	-	-	-	-
INVESTMENTS CARRIED AT FVTPL [B]	**297,186**	**423.90**	**-**	**574,682**	**746.55**	**-**	**2**	**-**	**-**
Total Investments [A+B]	**297,186**	**423.90**	**-**	**8,896,057**	**746.55**	**96.46**	**8,321,377**	**-**	**267.92**

Other disclosures									
Aggregate amount of quoted investments	297,186	423.90	-	574,682	746.55	-	2	-	-
Aggregate amount of Market value of investments	297,186	423.90	-	574,682	746.55	-	2	-	-
Aggregate amount of unquoted investments	-	-	-	8,321,375	-	96.46	8,321,375	-	267.92

Note:
(i) Pursuant to share transfer agreement with Strides Pharma Asia Pte Ltd, Singapore dated March 1, 2017, Company has transferred its investment of 8,321,375 equity shares in Stelis Biopharma (Malaysia) SDN BHD at a consideration of Rs. 91.82 Million. Resultant loss on sale of this subsidiary has been recorded in the statement of profit and loss under exceptional items.
(ii) During the previous year ended March 31, 2016, the entire assets of Stelis Biopharma (Malaysia) SDN BHD were transferred to the Company's facility in Bommasandra. Consequent to the above, the resultant impairment in the value of the investment of Rs. 171.46 Million was recognised under exceptional items.

6 Other financial assets **Rs. in Million**

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Secured, considered good						
a) Security Deposits	-	3.90	-	0.61	-	0.21
b) Receivable from related parties	-	89.25	-	-	-	-
Total other financial assets	**-**	**93.15**	**-**	**0.61**	**-**	**0.21**

7 Other assets **Rs. in Million**

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Considered good:						
(a) Capital advances	-	297.73	-	250.38	-	0.60
(b) Balances with government authorities (other than income taxes)						
(i) VAT credit receivable	-	20.28	-	-	-	-
(ii) Service tax credit receivable	-	54.27	-	19.22	-	4.38
(iii) CST Receivable	-	3.22	-	-	-	-
(iii) TDS Receivable	-	-	-	-	-	0.19
(c) Prepaid Expenses	3.64	160.63	1.52	154.51	-	-
(d) Advance Income Tax paid (net of provision)	-	0.63	-	0.44	16.78	1.97
(e) Others	13.61	-	13.88	-	1.63	1.30
	17.25	**536.76**	**15.40**	**424.55**	**18.41**	**8.44**

8 Inventories **Rs. in Million**

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Raw materials	0.21	0.33	5.93
Total Inventories (at lower of cost and net realisable value)	**0.21**	**0.33**	**5.93**

9 Cash and Bank Balances **Rs. in Million**

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
A. Cash and cash equivalents			
Balances with banks	128.93	10.70	20.58
Cash on hand	0.07	0.10	-
Others	-	0.13	5.50
Total Cash and cash equivalents	**129.00**	**10.93**	**26.08**
B. Other balances with banks			
Balance held as margin money	33.25	-	-
Total Other Bank balances	**33.25**	**-**	**-**

12 Non-Current Borrowings **Rs. in Million**

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Measured at amortised cost*			
A. Secured Borrowings:			
Term Loans			
(i) From Banks	3,294.87	634.93	-
(refer note 1 and 2)			
(ii) From others	-	666.76	724.53
Total Borrowings (secured)	**3,294.87**	**1,301.69**	**724.53**

Note 1

Terms of Repayment - The loan is repayable in 28 quarterly equal installments commencing from 27 months from initial utilisation. Interest is charged at the aggregate of 3 months LIBOR and applicable margin of 3.65 % p.a

Nature of Security - The said loan is secured by first pari passu charge of movable and immoveable assets of the Compnay including current assets and pledge of 30% of shares in the Company held by Strides Shasun Ltd

Other Terms - The loan is supported by corporate guarantee of Strides Shashun Limited.

Note 2

Terms of Repayment - The loan is repayable in 28 quarterly equal installments commencing from 27 months from initial utilisation. Interest is charged at the aggregate of I-Base and spread of 0.90% p.a.

Nature of Security - The said loan is secured by first pari passu charge of movable and immoveable assets of the Compnay including current assets and pledge of 30% of shares in the Company held by Strides Shasun Ltd

Other Terms - The loan is supported by corporate guarantee of Strides Shashun Limited.

13 Other financial liabilities **Rs. in Million**

Particulars	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2016	As at April 1, 2015	As at April 1, 2015
	Current	**Non- Current**	**Current**	**Non- Current**	**Current**	**Non- Current**
Other Financial Liabilities Measured at Amortised Cost						
Non-Current:						
(a) Payable to related party	-	40.30	96.52	463.74	-	98.97
	-	**40.30**	**96.52**	**463.74**	**-**	**98.97**
Current						
(a) Interest accrued	24.20	-	4.01	-	0.20	-
(b) Creditors for capital supplies/services	61.16	-	-	-	10.64	-
Total other financial liabilities	**85.36**	**-**	**4.01**	**-**	**10.84**	**-**

14 Other liabilities **Rs. in Million**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	**Non- Current**	**Current**	**Non- Current**	**Current**	**Non- Current**
(a) Advances received from customers	3.98	-	3.98	-	3.98	-
(b) Statutory dues						
- taxes payable (other than income taxes)	1.95	-	0.81	-	3.06	-
- Income taxes	4.29	-	5.92	-	2.06	-
- Employee Recoveries and Employer Contributions	2.67	6.25	2.36	4.05	0.13	1.94
(c) Current maturities of long-term debt	-	-	56.25	-	23.05	-
(d) Application money received for allotment of shares due for refund	-	-	0.01	-	-	-
(e) Other Liablities	-	-	-	-	1.07	-
Total other liabilities	**12.89**	**6.25**	**69.33**	**4.05**	**33.35**	**1.94**

15 Trade Payables **Rs. in Million**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	**Non Current**	**Current**	**Non Current**	**Current**	**Non Current**
Trade payable for goods & services	68.34	-	77.03	-	13.03	-
Trade payable for salaries and wages	1.35	-	0.16	-	-	-
Total Trade Payables	**69.69**	**-**	**77.19**	**-**	**13.03**	**-**

16 Provisions **Rs. in Million**

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	**Non- Current**	**Current**	**Non- Current**	**Current**	**Non- Current**
Provision for leave encashment	10.81	-	4.49	3.99	1.06	1.34
Total Provisions	**10.81**	**-**	**4.49**	**3.99**	**1.06**	**1.34**

Stelis Biopharma Private Limited
Notes forming part of financial statements

Note No.
10 **Equity Share Capital** **Rs. in Million**

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised:			
Equity shares of Rs 10/- each with voting rights	35.50	35.50	35.50
Issued, Subscribed and Fully Paid:			
Equity shares of Rs 10/- each with voting rights	3.36	2.78	2.08
Total	**3.36**	**2.78**	**2.08**

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
(a) Equity Shares with Voting rights			
Year Ended 31 March 2017			
No. of Shares	278,139	57,678	335,817
Amount Rs. in Million	2.78	0.58	3.36
Year Ended 31 March 2016			
No. of Shares	208,326	69,813	278,139
Amount Rs. in Million	2.08	0.70	2.78
Year Ended 1 April 2015			
No. of Shares	195,771	12,555	208,326
Amount Rs. in Million	1.80	0.28	2.08

(iii) Details of shares held by the holding company, the ultimate holding company:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2017	
Strides Shasun Limited	251,527
GMS Pharma (Singapore) Pte Limited	84,290
As at 31 March 2016	
Strides Shasun Limited	208,326
GMS Pharma (Singapore) Pte Limited	69,813
As at 1 April 2015	
Strides Shasun Limited	208,326
GMS Pharma (Singapore) Pte Limited	-

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights						
Strides Shasun Limited	251,527	74.9%	208,326	74.9%	208,326	100%
GMS Pharma (Singapore) Pte Limited	84,290	25.1%	69,813	25.1%	-	0%

(v) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the

Particulars	Aggregate number of shares		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Equity shares with voting rights			
a. Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-

11 Other equity

Rs. in Million

Particulars	Note no	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Securities premium	11(i)	1,487.45	1,018.07	449.94
General reserve	11ii)	(726.22)	(561.16)	(131.45)
Share application money pending allotment	11(iii)	54.16	-	-
Remeasurement of the defined benefit liabilities / (asset)	11(iv)	(0.31)	0.48	-
Total		**815.08**	**457.39**	**318.49**

Rs. in Million

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a) Reserves and surplus		
(i) Security premium		
Opening balance	1,018.07	449.94
Add: Issue of equity shares at premium during the year	469.38	568.13
Closing balance	**1,487.45**	**1,018.07**
(ii) General reserve		
Opening balance	(561.16)	(131.45)
Add: Loss for the period	(165.06)	(429.71)
Closing balance	**(726.22)**	**(561.16)**
(iii) Share application money pending allotment		
Opening balance	-	-
Addition during the year	54.16	-
Closing balance	**54.16**	**-**
Total reserves and surplus	**815.39**	**456.91**
(b) Other comprehensive income		
(iii) Remeasurement of the defined benefit liabilities / (asset)		
Opening balance	0.48	-
Add/less: Other comprehensive income	(0.79)	0.48
Closing balance	**(0.31)**	**0.48**
Total other comprehensive income	**(0.31)**	**0.48**
Total comprehensive income	**815.08**	**457.39**

Stelis Biopharma Private Limited
Notes forming part of financial statements

Note No.

17 Other Income — **Rs. in Million**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
(a) Interest Income On Financial Assets at Amortised Cost	1.91	1.63
(b) Dividend on Mutual Fund	18.07	5.75
(c) Exchange fluctuation gain	120.57	-
Total other Income	**140.55**	**7.38**

18(a) Cost of materials consumed — **Rs. in Million**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Opening stock	0.33	5.93
Add: Purchases	96.96	60.53
Less: Closing stock	0.22	0.33
Cost of materials consumed	**97.07**	**66.13**

18(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade — **Rs. in Million**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	`	`
Inventories at the end of the year:		
Finished goods	-	-
Work-in-progress	-	-
Stock-in-trade	0.22	0.33
	0.22	0.33
Inventories at the beginning of the year:		
Finished goods	-	-
Work-in-progress	-	-
Stock-in-trade	0.33	5.93
	0.33	5.93
Net (increase) / decrease	**0.11**	**5.60**

Total cost of material consumed [18(a)+18(b)]	**97.18**	**71.73**
Less: transferred to intangible asset under development	97.18	71.73
Total	**-**	**-**

19 Employee Benefits Expense — **Rs. in Million**

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Salaries and wages, including bonus	26.14	44.55
(b) Contribution to provident and other funds	3.18	2.86
(c) Staff welfare expenses	1.38	1.05
Total Employee Benefit Expense	**30.70**	**48.46**

20 Finance Cost — **Rs. in Million**

Particulars	As at 31 March 2017	As at 31 March 2016
(a)Interest expense	20.22	23.64
(b) Other borrowing cost	10.92	0.52
(c) Loan from group company	24.00	-
Total finance costs	**55.14**	**24.16**

Stelis Biopharma Private Limited
Notes forming part of financial statements

Note No.
21 Other Expenses **Rs. in Million**

	Particulars	As at 31 March 2017	As at 31 March 2016
(a)	Rates and taxes	1.23	2.69
(b)	Insurance	0.90	0.37
(c)	Repairs and maintenance - Machinery	9.69	1.50
(d)	Repairs and maintenance - Others	1.07	0.87
(e)	Commission on sales / contracts (net)	1.33	0.64
(f)	Travelling and Conveyance Expenses	2.65	4.15
(g)	Commission, discounts and rebates	1.89	7.52
(h)	Net loss on foreign currency transactions	-	4.84
(i)	Deposit Written off	-	7.50
(j)	Printing and Stationery	0.59	0.49
(k)	Regulatory Expense	0.03	0.05
(l)	Communication Charges	1.57	3.12
(m)	Loss on Sale of Fixed Assets	-	1.28
(n)	Membership fees	0.92	-
(o)	Office Expense	0.31	1.12
(p)	Boarding & Lodging	0.54	0.91
(q)	Support Service charges	9.68	-
(r)	Legal and other professional costs	8.46	4.79
(s)	Write off of intangible assets under development (Refer note (i) below)	130.72	106.58
(t)	Auditors remuneration and out-of-pocket expenses		
	(i) As Auditors	1.20	0.35
	(ii) For Taxation matters	-	0.04
	(iii) For Other services	-	0.14
(u)	Miscellaneous Expenses	1.81	0.73
Total Other Expenses		**174.59**	**149.68**

Note:
(i) Write off of intangible assets under development

During the year ended March 2017, the Company tested intangibles under development for impairment. Pursuant to such assessment, the Company has impaired Rs. 130.72 Mio during the current year (Rs. 106.58 Million during the previous year).

Stelis Biopharma Private Limited
Notes forming part of financial statements
Note No.

22 Leases **Rs. in Million**

Note	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 1 April 2015
1	**Details of leasing arrangements**			
	As Lessor			
	Operating Lease			
a	The Company has entered into operating lease arrangements for certain surplus facilities. The lease is non-cancellable for a period of 8 years 6 Months from 30th August 2013 and may be renewed for a further period of 10 years based on mutual agreement of the parties.			
	Future minimum lease payments			
	not later than one year	11.76	11.14	10.95
	later than one year and not later than five years	66.67	63.93	60.95
	later than five years	3.78	18.27	32.28

23 Earnings per Share

	Particulars	For the year ended 31 March 2017	For the year ended 31 March, 2016
	Profit / (loss) for the year attributable to owners of the Company (Rs. in Million)	(165.86)	(428.16)
	Weighted average number of equity shares	296,104	215,956
	Earnings per share from continuing operations - Basic (Rs.)	(560.14)	(1,982.63)
	Earnings per share from continuing operations - Diluted (Rs.)	(560.14)	(1,982.63)

24 Specified bank notes (SBN)
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:

Rs. in M

	SBNs		Other denomination		Total
	Denomination	Amount	Denomination	Amount	
Closing cash in hand as on November 8,2016	500 x 90	0.05	-	0.29	0.34
(+) Permitted receipts	-	-	-	-	-
(-) Permitted payments	-	-	-	0.20	0.20
(-) Amount deposited in Banks	500 x 90	0.05	-	-	0.05
Closing cash in hand as on December 30, 2016		**-**		**0.09**	**0.09**

Stelis Biopharma Private Limited
Notes forming part of financial statements

Note No.
25 Related Party Transactions

Party where the Control Exists	Name of Related Party
Entity excersing significant control	GMS Pharma (Singapore) Pte Ltd and Strides Shasun Ltd*
Wholly Owned Subsidiary	Stelis Biopharma (Malaysia) Sdn Bhd (ceased to be subsidiary w.e.f March 1, 2017)
Key Management Personnel – Director & CEO	Mr. Joe Thomas
Key Management Personnel – Director	Mr. Arun Kumar
Key Management Personnel – Director	Mr. Mohan Kumar
Key Management Personnel – Director	Dr. Durgaprasad Annavajjula, resigned w.e.f. October 26, 2016
Key Management Personnel – Director	Mr. Ghiath Munir Reda Sukhtian
Key Management Personnel – Director	Mr. Faisal Ghiath Munir Sukhtian
Key Management Personnel – Director	Mr. Deepak Vaidya
Key Management Personnel – Director	Mr. Thampi
Key Management Personnel – Director	Mr. P R Kannan
Key Management Personnel – Director	Mr. Venkat Iyer

* Strides Shasun Limited was the Holding Company till March 2017.

Details of transaction between the Company and its related parties are disclosed below:

Rs. in Million

Particulars	**For the year ended**	**Holding Company**	**Entities having significant influence over Company**	**Subsidiaries**	**Key managerial personnel**
Nature of transactions with Related Parties					
Purchase of property and other assets	31-Mar-17	-	-	85.91	-
	31-Mar-16	-	-	189.31	-
	31-Mar-15	-	-	-	-
Guarantee Commission / Support Service charges paid	31-Mar-17	33.43	-	-	-
	31-Mar-16	9.78	-	-	-
	31-Mar-15	4.71	-	-	-
Loans taken/(repaid)	31-Mar-17	589.43	-	-	-
	31-Mar-16	(344.60)	-	-	-
	31-Mar-15	21.59	-	39.59	-
Equity contribution to the Company	31-Mar-17	352.00	117.96	-	-
	31-Mar-16	23.96	-	-	-
	31-Mar-15	146.13	-	100.67	-
Settlement of liabilities on behalf of the Company	31-Mar-17	525.99	-	-	-
	31-Mar-16	23.96	-	-	-
	31-Mar-15	6.20	-	63.03	-
Settlement of liabilities by the Company on behalf of related parties	31-Mar-17	393.43	-	-	-
	31-Mar-16	134.00	-	-	-
	31-Mar-15	178.21	-	-	-
Employee cost:					
Joe Thomas	31-Mar-17	-	-	-	7.04
Dr.Durgaprasad Annavajjula	31-Mar-17	-	-	-	4.05
Joe Thomas	31-Mar-16	-	-	-	-
Dr.Durgaprasad Annavajjula	31-Mar-16	-	-	-	9.40
Dr.Durgaprasad Annavajjula	31-Mar-15	-	-	-	-

Nature of Balances with Related Parties	**Balance as on**	**Holding Company**	**Entities having significant influence over Company**	**Subsidiaries**	**Key managerial personnel**
Financial liability, trade payables and other liabilities	31-Mar-17	-	-	-	-
	31-Mar-16	463.92	-	96.52	-
	31-Mar-15	98.97	-	-	-
Loans and advances, financial asset and other assets	31-Mar-17	39.30	-	-	-
	31-Mar-16	-	-	-	-
	31-Mar-15	-	-	0.12	-

Note No.

26 First-time adoption of Ind-AS

First Time Ind AS Adoption reconciliations

(i) Reconciliation of Total Equity as at 31 March 2016 and 1 April 2015: **Rs. in Million**

Particulars	Notes	As at 31 March 2016	As at 1 April 2015
Equity as reported under previous GAAP		455.07	315.09
Ind AS: Adjustments increase (decrease):			
Effect of effective interest rate calculation under INDAS 109	a	5.10	5.48
Equity as reported under IND AS		**460.17**	**320.57**

(ii) Reconciliation of Total Comprehensive Income for the year ended 31 March 2016: **Rs. in Million**

PARTICULARS	Notes	Year Ended 31 March 2016
Profit or Loss as per previous GAAP		(428.26)
Ind AS: Adjustments increase (decrease):		
Amount amortised from processing fees charged to statement of profit and loss	a	(0.38)
Actuarial gains/ losses through OCI	b	(0.48)
Total adjustment to profit or loss		**(0.86)**
Profit or Loss under Ind AS		**(429.12)**
Other comprehensive income		0.48
Total comprehensive income under Ind ASs		**(428.64)**

(iii) Material adjustments to the Statement of Cash Flows

There were no material differences between the statement of cash flows presented under Ind AS and the previous GAAP.

Notes to the reconciliations

a) Under previous GAAP, processing fees paid on borrowings were charged to profit or loss account as and when incurred.
However, under Ind AS requires unamortised processing fees incurred towards borrowings to be deducted from carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Due to this change, there is an increase in total equity as at March 31, 2016 of Rs 5.10 million (As at April 1, 2015 : Rs 5.48 million) and decrease in total profit for the year ended March 31, 2016 of Rs 0.38 million due to the above.

b) Under previous GAAP, actuarial gains and losses were recognised in profit or 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 profit or loss.

The actuarial gain for the year ended March 31, 2016 were Rs. 0.48 Million. This change does not affect total equity, but there is a decrease in total profit of Rs.0.48 Million for the year ended March 31, 2016.

c) 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 statement of profit and loss.

The company has current investments in the form of mutual funds ,where the funds have been invested under "Daily dividend plan" under which the fair value would equal the cost,as a result there is no impact on equity or profit due to the above said change.

Note No.

27 Financial instruments

27.1 Categories of financial instruments

Rs. in Million

Particulars	**31-Mar-17**	**31-Mar-16**	**1-Apr-15**
Financial assets:	**INR**	**INR**	**INR**
Measured at fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
(i) Investment in Mutual funds	423.90	746.55	0.00
Measured at amortised cost			
(a) Cash and bank balances (including cash and bank balances in a disposal	162.25	10.94	25.96
(b) Other financial assets at amortised cost (including trade receivables in a	93.15	97.07	268.27
Financial liabilities:			
Measured at amortised cost			
(a) Borrowings	3,294.87	1,301.69	724.53
(b) Other Financial Liabilities (including trade payables balance in a disposal group held for sale)	195.32	544.92	113.06

27.2 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

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).

27.2.1 Fair value of the Company's financial assets that are measured at fair value on a recurring basis

Investment in mutual fund 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 are determined:

Rs. 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**	**1-Apr-15**		
Financial assets:					
Investment in Mutual fund (quoted)	423.90	746.55	0.00	Level 1	Fair value is determined based on the Net asset value published by respective funds.

27.2.2 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.

Rs. in Million

Particulars	**31-Mar-17**		**31-Mar-16**		**1-Apr-15**	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Borrowings	3,294.87	3,366.87	1,301.69	1,323.69	724.53	750.00

27.3 Foreign currency exposure and sensitivity analysis

27.3.1 Foreign currency exposure

The details of Unhedged foreign currency exposure are as follows:

Rs. in Million

Amount	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
Exposure to the Currency	in foreign	in INR	in foreign	in INR	in foreign	in INR
USD	(39.48)	(2,561.11)	(10.28)	(700.72)	(0.10)	(6.24)
AUD	-	-	(0.00)	(0.17)	-	-
EUR	(0.30)	(21.02)	(0.00)	(0.07)	-	-

27.3.2 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:

Rs. in Million

Particulars	Increase / (Decrease) in Equity		
	31-Mar-17	31-Mar-16	1-Apr-15
Appreciation in the USD	(128.06)	(35.04)	(0.31)
Depreciation in the USD	128.06	35.04	0.31
Appreciation in the EUR	(1.05)	(0.00)	-
Depreciation in the EUR	1.05	0.00	-
Appreciation in the AUD	-	(0.01)	-
Depreciation in the AUD	-	0.01	-

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 March 31, 2017.

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.

Note No.

27.4 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.

Rs. 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	-	454.20	480.98	480.98	480.98	1,469.73	**3,366.87**	**3,294.87**
- As on March 31, 2016	150.00	187.50	187.50	242.67	92.67	463.35	**1,323.69**	**1,301.69**
- As on April 01, 2015	-	75.00	150.00	187.50	187.50	150.00	**750.00**	**724.53**
Interest payable on borrowings								
- As on March 31, 2017	24.20	-	-	-	-	-	**24.20**	**24.20**
- As on March 31, 2016	4.01	-	-	-	-	-	**4.01**	**4.01**
- As on April 01, 2015	0.20	-	-	-	-	-	**0.20**	**0.20**
Trade and other payable not in net debt								
- As on March 31, 2017	171.12	-	-	-	-		**171.12**	**171.12**
- As on March 31, 2016	540.91	-	-	-	-		**540.91**	**540.91**
- As on April 01, 2015	112.85	-	-	-	-		**112.85**	**112.85**

Note No.

28 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 Rs. 1.30 Million (previous year: Rs. 1.47 Million) for provident fund contributions, Rs. 0.01 Million (previous year: NIL) 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 intrest 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**	**1-Apr-15**
Discount rate(s)	6.80%	8.00%	7.90%
Expected rate(s) of salary increase	10.00%	5% for First 2 years 10% Thereafter	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:

Rs. in Million

Particulars	**31-Mar-17**	**31-Mar-16**
Service cost:		
Current service cost	1.34	1.27
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	0.41	0.43
Components of defined benefit costs recognised in profit or loss	**1.75**	**1.70**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	0.17	(0.50)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	0.75	(0.39)
Actuarial (gains) / losses arising from experience adjustments	(0.14)	(0.43)
Components of defined benefit costs recognised in other comprehensive income	**0.78**	**(1.32)**
Total	**2.53**	**0.38**

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.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Rs. in Million

Particulars	**31-Mar-17**	**31-Mar-16**	**1-Apr-15**
Present value of funded defined benefit obligation	8.96	6.40	2.07
Fair value of plan assets	-	-	-
Funded status	**8.96**	**6.40**	**2.07**
Restrictions on asset recognised		-	-
Net liability arising from defined benefit obligation	**8.96**	**6.40**	**2.07**

Movements in the present value of the defined benefit obligation are as follows:

Rs. in Million

Particulars	**Year ended**	
	31-Mar-17	**31-Mar-16**
Opening defined benefit obligation	6.40	2.07
Add/(Less) on account of acquisitions /Business transfers	-	-
Expenses Recognised in Profit and Loss Account		
Current service cost	1.33	1.22
Interest cost	0.42	0.43
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	0.19	(0.51)
Actuarial gains and losses arising from changes in financial assumptions	0.75	(0.40)
Actuarial gains and losses arising from experience adjustments	(0.14)	0.43
Acquisition / Divestiture	-	3.48
Past service cost, including losses/(gains) on curtailments		-
Liabilities extinguished on settlements		-
Liabilities assumed in a business combination		-
Exchange differences on foreign plans		-
Benefits paid	-	3.48
Closing defined benefit obligation	**8.95**	**10.20**

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 0.50%, the defined benefit obligation would be INR 8.81 Million (INR 9.12 Million) as at March 31, 2017

If the expected salary growth increases (decrease) by 0.50%, the defined benefit obligation would be INR 9.07 Million (INR 8.84 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 Company to manage its risks from prior periods.

Expected future Cash outflows towards the plan are as follows- **Rs. in Million**

Financial Year	**Amount**
2017-18	2.71
2018-19	1.71
2019-20	1.01
2020-21	0.92
2021-22	1.12
2022-23 to 2027- 28	2.75

Stelis Biopharma Pvt Ltd

Notes forming part of the financial statements

Note No.

Reserch and Development Expenses **Rs. in Million**

29	Particulars	As at 31 March 2017	As at 31 March 2016
	Research & development expenses including capital expenditure		
	Material and third party outsourcing cost	174.96	108.81
	Labour	74.33	76.76
	Overheads	113.68	145.40
	Total	**362.97**	**330.97**
	Less: Product development costs capitalised	362.97	330.97
	Balance expenses off in statement of profit and loss	**-**	**-**

30 There are no dues to Micro and Small Enterprises. The information disclosed with regard to Micro and Small Enterprises is based on information collected by the Management. This has been relied upon by the auditors.

31 **Deferred tax asset :**

The Company has significant brought forward tax loss and unabsorbed depreciation, and has recognised the arising deferred tax asset on suc losses to the extent of the corresponding deferred tax liability arising on the difference between the book balance of fixed assets and the written down value of such fixed assets under Income Tax. With regard to the balance of the deferred tax assets, in the absence of reasonabl certainty that future taxable profits would be available for set off of such deferred tax assets, the Company has not recognized any deferred t asset as at March 31, 2017.

32 **Commitments**

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Estimated amount of contracts remaining to be executed on account and not provided for (net of advances):			
-Property, Plant and equipments	1,566.68	908.86	-
Total	**1,566.68**	**908.86**	**-**