Strides

September 25, 2018

The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip Code: 532531

The National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051.
Scrip Code: STAR

Dear Sir,

Subject: Outcome of 27th Annual General Meeting of the Company and Disclosure under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI LODR")

We wish to inform you that the 27th Annual General Meeting ("AGM") of the Company was held on Monday, September 24, 2018.

All the items of the business as mentioned in the AGM Notice dated August 21, 2018, have been transacted and all the resolutions have been passed by the Members with requisite majority by way of e-voting and ballot voting.

The details of business transacted and approved by the Members are as under:

1) Adoption of Financial Statements for the year ended March 31, 2018

   a) Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2018 together with Report of the Board of Directors and Auditors thereon; and

   b) Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2018 and the Report of Auditors thereon.

2) Declaration of Dividend of Rs. 2/- per equity share of face value of Rs. 10/- each for the FY 2017-18;

3) Re-appointment of Mr. Badree Komandur (DIN: 07803242), Executive Director -Finance, who retired by rotation;

4) Appointment of Mr. Arun Kumar (DIN: 00084845) as Executive Director of the Company, designated as Group CEO & Managing Director of the Company;

5) Approval for continuation of Mr. Homi Rustam Khusrokhan (DIN: 00005085) as an Independent Director of the Company to complete his current term of appointment i.e., upto May 17, 2022 in terms of SEBI LODR;

6) Approval for ratification of remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for the FY 2017-18;

7) Approval for grant of loan and continuing of guarantee/ security provided to Stelis Biopharma Private Limited, an Associate Company.

STRIDES PHARMA SCIENCE LIMITED

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

Strides

In this connection, please find enclosed the following:

a) Voting Results as required under Regulation 44 of SEBI LODR attached as **Annexure 1**.

b) Report of Scrutinizer dated September 24, 2018 pursuant to Section 108 of the Companies Act, 2013 and Rules made thereunder attached as **Annexure 2**.

c) Annual Report for FY 2017-18 as duly approved and adopted by the Members at the AGM attached as **Annexure 3**.

This is for your information and records.

Thanks & Regards,
For **Strides Pharma Science Limited**

Manjula .R.

Manjula Ramamurthy
Company Secretary

Encl. as above

STRIDES PHARMA SCIENCE LIMITED

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

Strides

Building it Right

Strides Pharma Science Limited I Annual Report **2017-18**

(Formerly Strides Shasun Limited)

WHAT'S INSIDE

About Strides

02 Corporate Identity
04 Annual Highlights
06 Worldwide Presence
08 Founder & Group CEO's Insight
10 CFO's Review
12 Value Creation Model
13 Global Headquarters
14 Building it Right With
14 Leaner Business Model
16 Expanded Scale and Scope
18 Research and Development
19 Information Technology
20 Quality Framework
21 People Practices
22 Corporate Social Responsibility
24 Board and Management

Statutory Reports

26 Management Discussion and Analysis
35 Board's Report
69 Corporate Governance Report
92 Business Responsibility Report

Financial Statements

102 Consolidated Financials
209 Standalone Financials
303 Equity History of the Company

WE ARE NOW STRIDES PHARMA

OUR NAME CELEBRATES AGILE RESPONSE TO OPPORTUNITIES. OUR CULTURE CONTINUES TO FOSTER INNOVATION AND CREATIVITY AND WE ARE LOVING THE JOURNEY, EVERY STEP OF THE WAY.

HIGHLIGHTS OF FY 2017-18

₹28,576 Million

Revenue

₹4,369 Million

EBIDTA

₹26,092 Million

Net worth

WE ARE BUILDING CAPABILITY AND MOMENTUM IN SPECIFIC THERAPEUTIC AREAS AND GEOGRAPHIES, WHERE WE CAN HELP MAKE A DIFFERENCE BY ADDRESSING CRITICAL PATIENT REQUIREMENTS.

We operate in a highly regulated and competitive global generics market with a differentiated and diversified approach. However, the common thread that binds our differentiators is the scarcity model that includes niche products, complex manufacturing capabilities and our ability to operate in challenging markets.

In all our efforts, the most important element is our people. With their curiosity, creativity, agility and intuition they help us manage change with foresight and fortitude. Our empowered workforce brings on board sharp technical acumen and scientific capability to deliver high compliance and quality.

Our value-accretive business model, rich product portfolio, empowered workforce, effective leadership and consistent focus on compliance and quality make our model difficult to emulate.

The outcome is a sustainable business with a long-term growth roadmap.

WE ARE BUILDING IT RIGHT AND ARE GEARED FOR EXCITING TIMES.

Building a robust and diversified business

INCORPORATED IN 1990, STRIDES PHARMA SCIENCE LIMITED (STRIDES) IS A GLOBAL PHARMACEUTICAL COMPANY, HEADQUARTERED IN BANGALORE. WE HAVE EMERGED AS AN R&D-FOCUSSED, GLOBAL PHARMACEUTICALS COMPANY.

We are engaged in the development, manufacture and marketing of a wide range of IP-led niche and technically complex pharmaceutical products for regulated and emerging markets.

Our growth model is built on a prudent mix of organic and inorganic moves, along with leveraging and scaling up of available opportunities, leading to the creation of a well-diversified business.

We have adopted strategies, based on our expertise and competitive dynamics in the various geographies in which we operate.

OUR BUSINESSES

Regulated markets

- Front-end presence across Australia, the US and UK.
- Six facilities [five US Food and Drug Administration (USFDA) approved] in India, Europe, upcoming regulated market facility in Singapore.
- Annual capability of 20-25 ANDA filings.

Emerging markets

- Front-end focussed markets of Africa, Southeast Asia with a portfolio of branded generics.
- Two dedicated facilities in India and Kenya.
- Catering to donor funded programmes using the local facility in Africa.

OUR VISION

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

OUR 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.

OUR VALUES

Living our Values

ICE

Integrity Collaboration Efficiency

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

Collaboration
We will work together, understanding and supporting each other

Efficiency
We will do everything to deliver quicker, better results

FUNDAMENTALS COUNT



SCALE

We have a well-diversified consumer-facing business in regulated and emerging markets (EMs). Our presence is in 100+ countries.



ASSETS

We have eight manufacturing facilities spanning three continents, including six facilities for regulated markets (five USFDA approved) and two facilities for emerging markets.



INNOVATION

Our robust R&D infrastructure, supported by 300+ scientists in India ensure global filing capabilities.



PORTFOLIO

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



COMPLIANCE

We have a stringent compliance environment with a reliable regulatory track record. Our IT infrastructure strengthens our quality and compliance integrity.



TEAM

Our global employee base comprises 2,100+ employees.

Revisiting FY 2017-18

KEY CORPORATE UPDATES

- Exited Indian branded generics business for cash consideration of ₹5,000 Million, of which ₹4,000 Million were used to reduce debt.
- Completed the demerger of API business to focus on our B2C business.
- Acquired a controlling stake in Trinity to foray into South Africa's high-entry barrier market.
- Arrow Pharmaceuticals acquired the Australian business of Amneal.

RESEARCH AND DEVELOPMENT

- Sustained R&D investment at ₹1,176 Million against ₹1,070 Million in FY 2016-17.
- Filing gained momentum with 12 new product (ANDA) filings against 8 filings in FY 2016-17.

OPERATIONS

- Successfully completed the USFDA inspection at multiple sites.

US

- Own front-end products continue to track healthy market share - Ranitidine 35%, Dutasteride 33%, Ergocalciferol 38%, Methoxsalen 40%, Benzonatate 16% and PEG Rx 25%.

Australia

- Growth driven by addition to pharmacy footprint (now at 1400+), 29 new product launches and steady performance in Chemist's own OTC portfolio.
- Completed the integration of the Amneal acquisition.

Other regulated markets

- Continued traction in the UK front-end business.
- Sustained growth momentum with market and portfolio expansion.
- Consolidated market positioning in recently acquired Trinity Pharma in South Africa.

Emerging markets

- Kenyan facility of Universal Corporation received the GMP status from World Health Organisation (WHO), confirming compliance with standards of Good Manufacturing Practices (GMP).
- Laid a solid foundation for a branded generics business in Africa, with presence in high-growth markets.

Financial performance

Revenue

(₹ in Million)

FY 2017-18	**28,576**
FY 2016-17	27,581

EBIDTA

(₹ in Million)

FY 2017-18	**4,369**
FY 2016-17	6,027

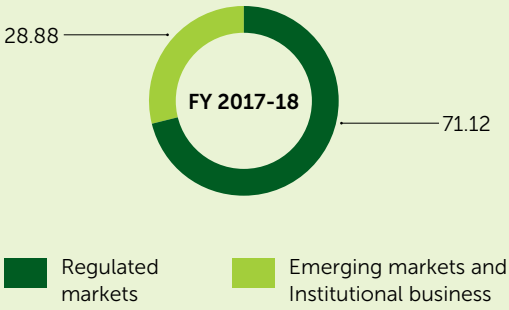
EBIDTA margin

(%)

FY 2017-18	**15**
FY 2016-17	22

Business-wise revenue

(%)



₹26,092 Million
Net worth

₹1,304 Million
Adjusted profit after tax[2]

₹17,063 Million
Adjusted debt[1]

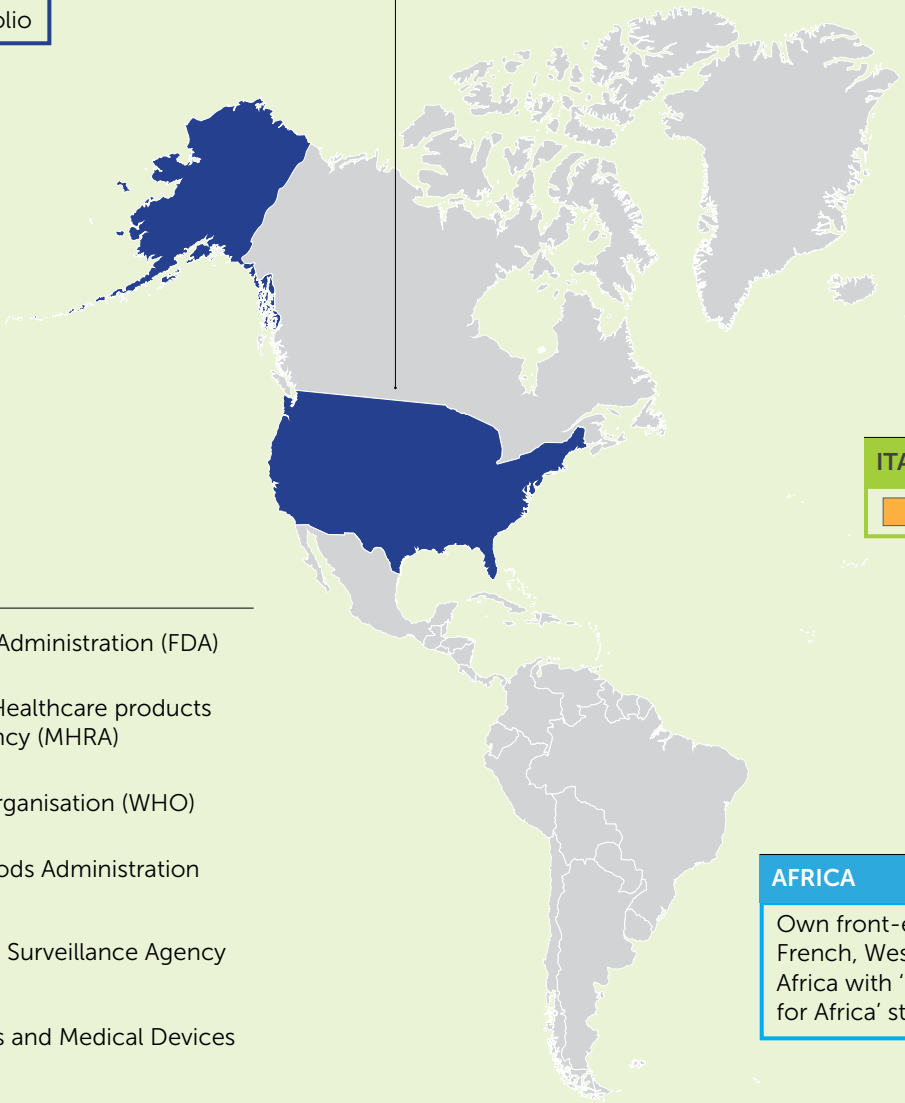
₹14.6
Adjusted earnings per share[2]

1. Adjusted debt includes cash receivable of ₹1,310 Million on account of divestment of Strides Chemicals Private Limited (SCPL) and ₹662 Million for loans advanced to partners
2. Adjusted PAT- For FY 18 - Adj for Stelis share of loss ₹144 Million, restructuring expense and others ₹210 Million, CHC loss ₹446 Million.

Global operating landscape

UNITED STATES

Own front-end with a differentiated portfolio



ITALY

AFRICA

Own front-end in French, West and East Africa with 'In Africa, for Africa' strategy

Approvals

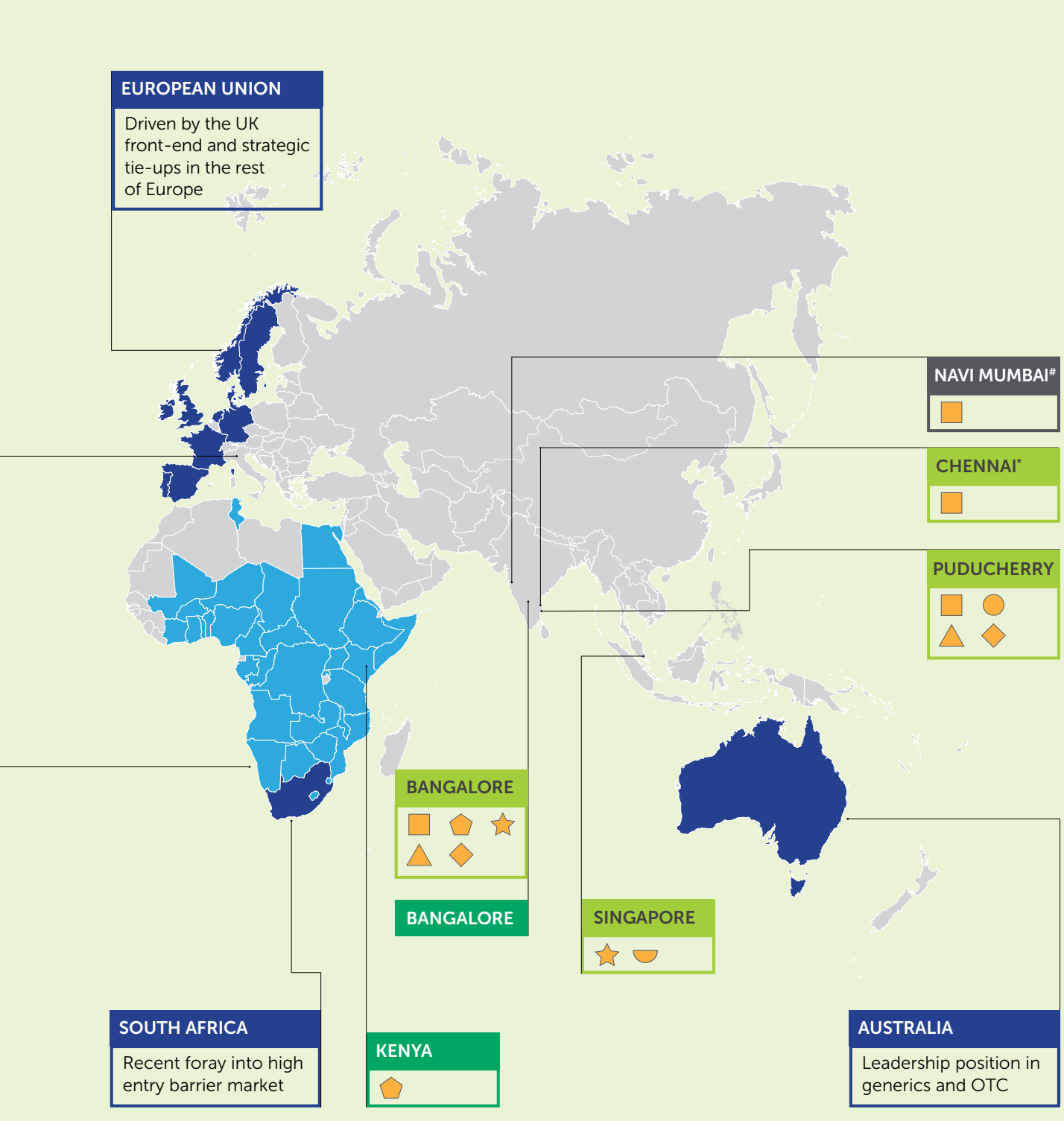
- Food and Drug Administration (FDA)
- Medicines and Healthcare products Regulatory Agency (MHRA)
- World Health Organisation (WHO)
- Therapeutic Goods Administration (TGA)
- Brazillian Health Surveillance Agency (ANVISA)
- Pharmaceuticals and Medical Devices Agency (PMDA)
- Health Sciences Authority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

Manufacturing capability

- Formulation Dosage Form
- Emerging Market Facility
- Integrated API

Markets

- Regulated
- Emerging



*JV with Vivimed Labs Limited

To be divested during FY 2018-19

Building the right enablers



The US continues to be our key growth market. We are recalibrating our US strategy by reinforcing our focus on the front-end business to ensure sustainable future growth.

Dear Friends,

I am happy to be back in the thick of action as the Group CEO. It is not long ago when I decided to move into a non-executive role and stay in business with Board oversight. Indeed, the times are not exciting for the pharmaceutical industry and Strides is no exception. FY 2017-18 was one of the most challenging years for our business.

Our performance was impacted by the challenges in the US market and the institutional business.

Our strategies, especially in our US partnered business, did not translate to expected outcomes. The environment was not very conducive in our therapeutic areas on the institutional front.

We are going through a phase of temporary hardship, and I am confident that all our businesses will start performing at desired levels in the next three-to-four quarters. I must also emphasise that our strategy continues to evolve; and with the new rigour that we have established at Strides, we are determined to bounce back strongly.

The US continues to be our key growth market. We are recalibrating our US strategy by reinforcing our focus on the front-end business to ensure sustainable future growth. We are strengthening our US footprint with an emphasis on niche products or products where we have complete control.

We have made strategic progression in Australia (Arrow) over the last few years to become a leading and profitable player. The year witnessed steady business with a sequential ramp-up driven by expansion of pharmacy footprint, new product launches and a strong performance in Chemists Own OTC portfolio. In August 2017, Arrow acquired Ameal Pharmaceutical's Australian operations which we could smoothly integrate into our business in a short span.

During FY 2017-18, we also announced our intent to merge the Australian businesses of Strides and Apotex which is subject to certain customary closing conditions and statutory approvals, including approval of Australian Competition and Consumer Commission (ACCC).

The combined entity will create an industry-leading position in Australia, both by value and

volume as a large proportion of pharmacies will offer Arrow and Apotex products exclusively. It will also take the best of both companies to optimise the viability of operations through effective delivery of medicines and services to consumers and patients. The merger will deliver 100+ additional products which can significantly contribute to growth, profitability and IP for the merged entity in the medium to long-term.

In the other regulated markets outside the US and Australia, our operations in the UK and parts of Europe are growing encouragingly. We also entered the highly regulated South African market with the acquisition of Trinity Pharma. This will continue to help us broad-base our business outside the US.

Our Africa business is maintaining steady growth on the back of secondary sales. We intend to grow the business through our 500-product pipeline and encourage a pan-Africa branded generics presence. We are strengthening our sales force for enhanced market penetration and focussing on improving the productivity of our sales representatives.

Our institutional business saw one of the toughest years, owing to a decline in anti-malarial business, driven by skewed tendering activity. We will be aiming to capitalise on our WHO-approved manufacturing facility in Kenya for global donor agencies and local government tenders. We have initiated the site transfer for our Antiretroviral (ARV) portfolio to the facility; and will participate in global donor funding and regional government programmes.

During FY 2017-18, we de-merged our select API business to Solara Active Pharma Sciences Limited (Solara). It also houses the Human API business of SeQuent Scientific Limited. Operating as a standalone API company, Solara has inherited the extensive pharmaceutical experience of these two entities.

We also propose to divest our shareholding in Strides Chemicals, which has an USFDA API facility in Ambernath to Solara. As part of the transaction understanding, Solara has offered the Company long-term development and manufacturing arrangement and a 'Most Favoured Customer' status for all the DMFs required for the integrated formulations portfolio of the Company. The divestment will help Strides become leaner while retaining supply chain security for the formulations portfolio.

A business needs to constantly course-correct and focus on building the right enablers to move forward on the evolution curve. That's precisely what we are now focussing on at Strides, and we are keeping vigilant eyes on the unfolding macro scenario.

Our India branded business was divested to Eris Lifesciences for ₹5,000 Million to focus more on our global business strategy. Net proceeds from this transaction were used to reduce our debt.

A business needs to constantly course-correct and focus on building the right enablers to move forward on the evolution curve. That's precisely what we are now focussing on at Strides, and we are keeping vigilant eyes on the unfolding macro scenario.

We completed several corporate initiatives that we had planned. Now we are focussing on building Strides as a diversified B2C player and we are confident that we are building it right.

On behalf of the Board and the entire leadership team, I thank our people for their dedication and hard work. I also express my sincere appreciation to all our stakeholders for their guidance and support.

Arun

Performing with resilience



Our focus for FY19 will be driving growth, improving profitability, increasing R&D effectiveness and productivity, maintaining debt levels in a narrow range, improving EBIDTA to PAT conversion and realising synergies in our corporate actions.

Dear Friends,

FY 2017-18 was one of the most challenging years for the pharma industry, and for us at Strides. The Volatility, Uncertainty, Complexity and Ambiguity (VUCA) of the operating environment continued to haunt us in FY 18. The Company's performance was uninspiring, considering the targets we had set at the beginning of the financial year. We faced multiple headwinds concerning delays in product approvals, pricing pressure in the partnership business and a compressed offtake in the institutional piece.

Internally, we continued to tackle hardships in the primary-secondary sales mismatches in our Africa business and early investments in the Consumer Healthcare business, which in hindsight probably should have been postponed. We are facing under-absorption of costs in a few of our plants, which also impacted the Company's profitability.

We have been communicating to shareholders and investors at various points of time that our growth hinges on the timely approvals of new products. Unfortunately, one of our product approvals could not be received in time; and we missed the seasonal sales in the US. It could have changed our financial outcomes more positively from a profitability standpoint.

Albeit the challenges in the US, the tender business and Africa, the performance of the Australian business was robust, registering consistent growth quarter-on-quarter. We are delighted with the positive momentum of our Australian business, considering that Strides has made the highest capital allocation in that region. The other regulated markets too performed well, amidst a transitionary environment. We also completed the operational integration of Amneal acquisition in a seamless manner.

From a functional perspective, I am delighted to share the following achievements:

- We completed the demerger of the API business with agility. This demerger is unique in many aspects, wherein two listed companies demerged a division into a newly listed company, prospective date, handling public shareholders of both the listed companies; and their governance during the period of the announcement of demerger to completion.

We exited our India brands business, which improved our continuing EPS by ₹6 per share. This transaction closure was unique, considering that it got completed in a month with two listed companies involved in the transaction.

- We exited our India brands business, which improved our continuing EPS by ₹6 per share. This transaction closure was unique, considering that it got completed in a month with two listed companies involved in the transaction. The employee transition was very smooth, and we continued to retain the global rights of these brands.
- We are extremely pleased with our performance in the treasury and forex management. We have proactively aligned the long-term loans across the Group to cash generating units. As on March 31, 2018, our India entities do not have a term loan in its balance sheet. Our conservative forex policy has enabled us to manage the entire year very well.
- On the taxation front, we completed some of the critical income tax assessments for the Company with a favourable outcome. The GST implementation was smooth, and we have started receiving refunds from the department.
- We have undertaken a few initiatives, which will reduce the future cost base and help bolster profitability.
- As an organisational initiative, we also conducted a road show for all the sell-side analysts in Australia in February 2018. This included visits to wholesalers and pharmacies of that region. We believe that this initiative is a win-win for both the Company and analysts, thereby demonstrating the diversity of our model. The visit also gave an opportunity to the investors/analysts to understand our business model better.

We believe that these initiatives, coupled with a rewired operational strategy, will help the Company in the long run to improve the return on equity and the capital employed. In the most challenging year, we also invested ₹3,500 Million in capex across the group; and our operating cash flows were ₹2,406 Million. We believe that investments in working capital are at an optimum level.

I am happy to share that we had a smooth transition of the auditor in the financial year and our review coverage was 95%. I also wish to highlight that there have been no changes to our accounting policies and we received a satisfactory audit report.

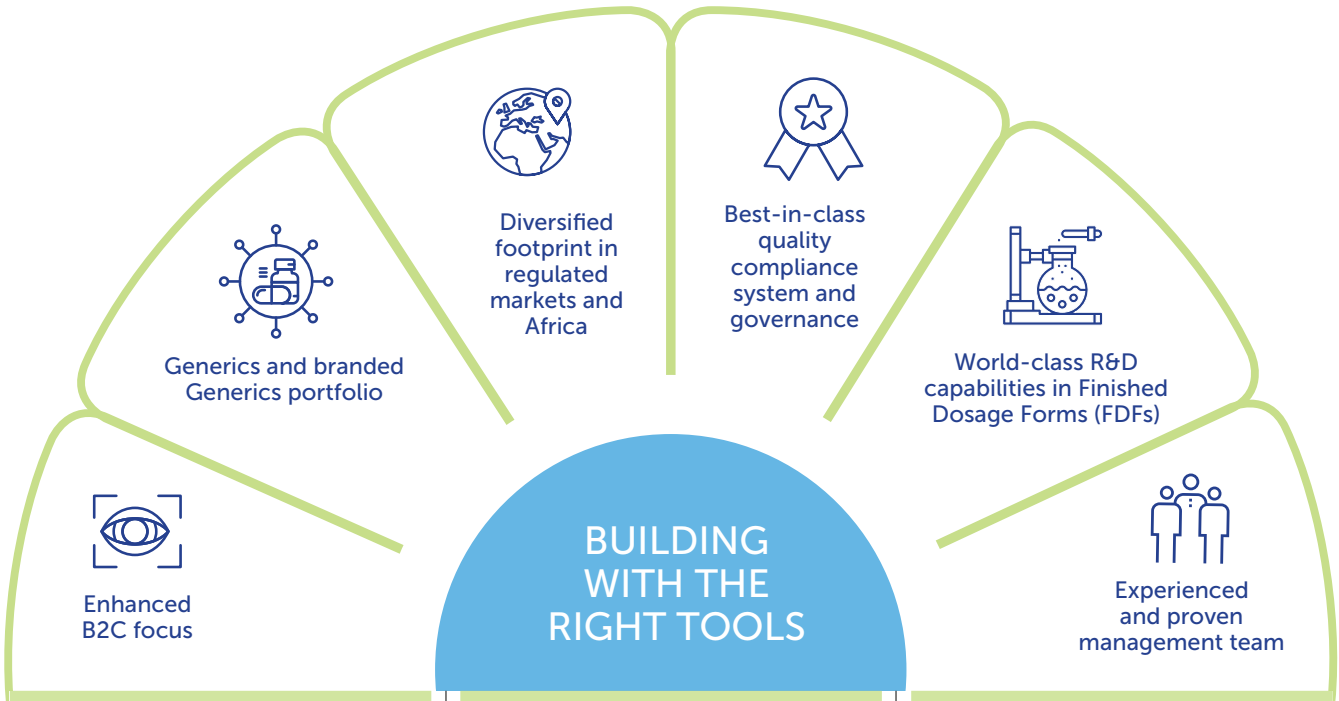
Our focus for FY19 will be driving growth, improving profitability, increasing R&D effectiveness and productivity, maintaining debt levels in a narrow range, improving EBIDTA to PAT conversion and realising synergies in our corporate actions. We have learnt many lessons in the last few years, and we hope to show a more consistent performance from the current year.

We will continue to focus on the productivity of our teams and build a robust review mechanism to meet the ever-growing future demands. We will continue to be guided by the knowledge and insight of the investing fraternity and serve them well. We are confident that our continuous engagement with investors will pave the way for a better Strides. With the regulatory scenario evolving rapidly, our global compliance is geared to meet the standards of a Company with a multi-geographic footprint.

I thank all shareholders for their support and guidance in the most challenging year. I look forward to FY 2018-19 with optimism, and we are committed to creating long-term shareholder value with diligence and focus.

Badree

Strategic framework



Robust business foundation

- Integrated B2C platform with development capabilities for formulations and in-house research centre.
- Capabilities in multiple delivery technologies and dosage formats.
- Front-end presence in regulated and emerging markets.

Consistent growth through execution

- Expanding portfolio range with addition of differentiated and limited competition products.
- Leveraging a robust 'go to market' capability to expand distribution network across Australia, US, UK and other regulated markets.
- Building portfolio of strong brands in emerging markets.

Steady returns to stakeholders

- Focussing on generating operating leverage.
- Identifying newer growth avenues to deliver sustainable growth.
- Enhancing shareholders return with an improved ROE profile.

Strides' global headquarters



Aerial view of our state-of-the-art manufacturing facility at Singapore

We are delighted to collaborate with Singapore Economic Development Board (EDB) for housing our international business. We have invested US$ 40 Million in a state-of-the-art manufacturing facility in Singapore. The country offers good talent and great connectivity, which enables us to gain easy access to key regulated and Southeast Asia markets.

Mohan Kumar, CEO and Managing Director, Strides Pharma Global



Our subsidiary Strides Pharma Global Pte. Ltd (SPG) has been awarded 'International Headquarters Status' by the Singapore Economic Development Board (EDB) in 2015. SPG is engaged in manufacturing, trading and distribution of pharmaceuticals in addition to providing support services for the group entities globally. Our state-of-the-art manufacturing facility caters to the growing demand of regulated markets of USA, UK, Australia, and Europe.

SPG has invested US$ 40 Million in the manufacturing facility with a built-up area of 273,683 square feet. It has an annual capacity of one billion tablets and capsules. The facility is approved by the Health Science Authority (HSA) Singapore and Australian Regulatory, Therapeutic Goods Administration (TGA). US Food and Drug Administration (USFDA) and the UK Medicines and Healthcare Products Regulatory Agency (MHRA) approvals are in process.

The facility will commence commercialisation once the necessary approval from the USFDA is obtained. This will unleash major growth opportunities for SPG. SPG will be focussing on research and innovation in the drug formulation/ process development in the next financial year.

SPG is poised for an exciting growth trajectory.

Building it
right with

LEANER BUSINESS MODEL



AT THIS STAGE OF OUR EVOLUTIONARY JOURNEY, WE ARE FOCUSSING ON DIVESTING OUR NON-CORE BUSINESS AND BUILDING CAPABILITY AND MOMENTUM IN OUR CORE BUSINESSES ACROSS GLOBAL MARKETS, WHERE WE SEE MAXIMUM POTENTIAL.

₹5,000 Million

We divested our India branded generics business to Eris Lifesciences Limited (Eris) for an aggregate cash consideration of ₹5,000 Million.

Demerger of our API business

We completed the demerger of our select API business and Human API business of SeQuent Scientific (a promoter group listed company) into a new listed entity - Solara Active Pharma Sciences (Solara), thereby providing critical size to this business.

Solara inherits the extensive pharmaceutical experience of these two entities; and the collective strength augurs well for us in the industry, which is drifting towards standalone API companies for supply security, continued compliance and integrity in business.

We have a long-term development and manufacturing agreement with Solara, which enables us to get a 'Most Favoured Customer' status for the Drug Master File (DMF), required for the integrated formulations portfolio. The divestment will help Strides become leaner, while retaining supply chain security for the formulations portfolio.

Divested India brand business

As part of our portfolio reprioritisation strategy, to focus more sharply on larger regulated markets, we divested our India branded generics business to Eris Lifesciences Limited (Eris) for an aggregate cash consideration of ₹5,000 Million.

Our India branded generics business comprised a portfolio of 130+ brands in the domains of Neurology, Psychiatry, Nutraceuticals and Gastro, among others, along with the employees forming part of the business.

Eris acquired the marketing and distribution rights for the said portfolio of products in India, while Strides will retain the global rights for these products. The net proceeds from this transaction were used to reduce our debt profile to the tune of ₹4,000 Million.

We retained global rights for the divested portfolio, which have significant sales in Africa and will continue to grow our emerging market business.

Building it
right with

EXPANDED SCALE AND SCOPE



WE ARE SEEKING RELEVANT OPPORTUNITIES ACROSS GEOGRAPHIES TO BUILD AN INSTITUTION THAT IS GEARED TO SURVIVE HEADWINDS AND THRIVE FOR THE LONG-TERM. OUR STRATEGIES ARE CAREFULLY CALIBRATED TO ENRICH OUR PRODUCT PORTFOLIO AND ENHANCE OUR MARKET STRENGTHS.

Enhancing Australian prominence

We (Arrow Pharmaceuticals our Australian business) acquired the Australian operations of Amneal Pharmaceuticals, enabling us to extend our market reach. Such a strategy will help us attain leadership in the Australian generics market.

Rationale

- Access to comprehensive offerings, including generic medicines and branded OTC products.
- We have a low-touch pharmacy model with stated strategic intent of achieving leadership in the Australian generics market through expansion of our first-line stores, new product introductions and better compliance.
- The business integration into our front-end model will deliver sustainable profitability through improved operating leverage.
- Our generics market share will improve to around 22%, adding around 200 new first-line stores expanding our first-line pharmacies to 1,200+ stores.
- We expanded our product portfolio over the last two years from around 150 molecules to around 170 molecules; this acquisition further bolsters our product portfolio with the addition of 13 molecules.
- Provides significant synergy opportunities with 100+ molecules being common with our existing portfolio.

We have entered into an agreement (in principle) with Apotex, to merge our respective Australian business operations. Once complete, our merger will continue to provide the entire spectrum of Arrow and Apotex brands to our customers; and further enhance our customer service and continuity of supply, to better help pharmacists grow their businesses.

Rationale

- Enable us to become the leading player in the Australian generic pharmaceutical market by both volume and revenue with the largest portfolio of owned product IP for the Australian market.
- Bolster earnings per share (EPS) from first year through merger synergies.
- Potential synergies will accrue through higher volumes and improved cost of goods sold (COGS).
- Strides and Apotex business will run independently under the brands Arrow and Apotex, respectively and continue to enjoy preferred partner relationship with their respective wholesalers.
- Merged business will continue to be supported by both our manufacturing facilities.
- Merged business will have over 3,200 first line pharmacy accounts.
- Merged business will be led by Dennis Bastas, Arrow, as Executive Chairman, Roger Millichamp, Apotex, as CEO and Andrew Burgess, Arrow, as CFO, bringing together Australia's most experienced management team with in-depth knowledge of the Australian generics market.

Strengthening footprint in other regulated markets

We acquired a controlling stake in Trinity Pharma for providing further impetus to our regulated market strategy as it expands our outreach in the lucrative and high-entry barrier market of South Africa.

Rationale

- Such strategy will allow us to strengthen presence in the high-entry barrier market of South Africa, where product dossier approval takes more than five years.
- Provide access to pipeline of 110+ product dossiers already submitted.
- Acquisition comes with proven management and expertise in business development, marketing and regulatory services.
- Key platform for Strides' antiretroviral (ARV) launch in the large, private non-tender market in South Africa.
- Provides established distribution channel for faster commercialisation of existing products of Strides, already registered in South Africa.

Innovation breathes new life into our growth strategy

R&D IS CRITICAL FOR SUSTAINABLE GROWTH. IT IS LED BY THE VISION OF OUR LEADERSHIP TEAM. THE R&D INITIATIVES ARE DRIVEN BY CONTINUOUS LEARNING AND INNOVATION. IT IS ACTIVELY ENGAGED IN THE DEVELOPMENT OF A WIDE RANGE OF DOSAGE FORMS, INCLUDING NOVEL DOSAGE FORMS TO SECURE AND DRIVE OUR GROWTH ENGINE. OUR BELIEF IN THE PROCESS OF ON-GOING IMPROVEMENT ENABLES US TO MAXIMISE THE PROFITABILITY FROM OUR LEGACY PROJECTS THROUGH COST ENHANCEMENT INITIATIVES.



The technical expertise at our R&D facilities, combined with our access to latest technological platforms, facilitates efficient delivery, which translates to value creation and customer satisfaction.

Approach in regulated markets

We have already established a wide portfolio of 78 filed ANDAs (with 27 pending approvals) in the US market. Our existing offerings include Vancomycin, Potassium Citrate, Omega and Dutasteride, which are already performing well in the US. Strengthening our existing basket of Oseltamivir, Ranitidine, KCL and PEG series will increase our existing value in the US market and make our presence felt among the top-notch pharmaceutical companies in USA.

We have also adjusted our course to gain a better foothold in other regulated markets of the UK, Canada and Australia. We have already succeeded in creating a diversified portfolio in these regulated markets with generics and over-the-counter (OTC) segments, by developing new products and extending our current portfolio.

Strategy for institutional and emerging markets

We strive towards reducing the bottlenecks like cost and manufacturing yield for our institutional products at Strides R&D, thereby making our contribution to the tender business more profound. Our technical expertise and futuristic technology platforms enable us to meet the requirements of the business, especially by developing complex combination product, as well as improving the current pipeline of products.

Way forward

Our linear structure and belief in churning out more filings with less resources will enable us to increase efficiency, thereby targeting 30-35 filings in a year in different geographies.

In the US, we will focus on consolidating our presence in the market with developing limited competition products and improving our existing offerings through a targeted filing of 20-25 ANDAs year-on-year. We will also aim to improve our existing products in terms of profitability, source security and manufacturing robustness.

Developing competitive projects in the smallest possible time will be our agenda for other regulated markets, which will enable us a shorter time to market which will enable us a shorter time to market. Our R&D will also add value towards portfolio maximisation of our current offerings in different markets, which will help us to deliver the results in the other regulated markets.

Ahead-of-the-curve technology for new-age business

WE ARE INCREASINGLY EXPANDING OUR TECHNOLOGY INTERVENTIONS ACROSS DIVERSE OPERATIONS AND BELIEVE THAT IN THE LONG RUN, THESE INVESTMENTS WILL HELP US ATTAIN HIGHER COMPLIANCE WITH EFFICIENCY.

We aim to set the benchmark for technology initiatives in the pharmaceutical industry, adopting the best practices and processes at all our facilities.

Research and development (R&D)

We have implemented Product Life Cycle Management throughout our R&D operations. The system encompasses product initiation and approval (with real-time market potential assessment by interfacing with external data sources); product development workbook; process schedules; analytical request and worksheets; stability study protocol and certificate of analysis and all associated log books of instruments.

The automated process eliminates the risk of insufficient documentation, transcription errors and missing elements. This is a major step towards aggregation of development data for ANDA filing dossiers.

We believe development in our business analytics systems will further provide anytime flexibility to track the status of product development across key molecules in diverse geographies.

Quality control laboratory

We have undertaken significant steps to digitise our laboratory analysis processes. We have completely automated laboratory procedures, which include various methods from basic solution preparation to finished product analytical worksheets. Besides, we have implemented electronic worksheets that garner data from instruments to achieve the highest level of compliance in data integrity.

These new implementations help us avoid human errors, provide early warnings and deliver productivity measurement of all laboratory resources. We have also introduced dynamic dashboards that enable the Head of Quality Control operations to plan productivity improvement opportunities for both workforce and instruments. We are confident of accomplishing the highest level of optimisation in laboratory operations through these enhancements.



Electronic batch manufacturing record
Electronic batch manufacturing record is the high point of digitisation at our oral dosage form facility at KRS Gardens, Bangalore.

Manufacturing operations

We conceptualised and developed the entire manufacturing execution system (MES) in association with the Emerson Process Management team. This is a fully integrated manufacturing process automation application, encompassing processes involved in pre-manufacturing and manufacturing activities starting from material receipt in the warehouse until finished goods packing.

This automation platform ensures high level of compliance in the entire manufacturing process by integrating with dependent applications such as quality management system, laboratory management system, training, attendance, R&D systems as well as data acquisition from manufacturing machines and in-process quality control instruments.

Shop floor operators and supervisors work with hand-held terminals to control the entire process of manufacturing and release of the product. This eliminates the need to maintain any paper record on the floor in the entire manufacturing cycle.

After several pilot and validation runs, we have already rolled out the application and manufactured a number of batches in tablet manufacturing block using the MES system.

Business analytics

The extent of IT enablement and digitisation across business applications has helped us now to move to the next level of qualitative analytics. Dynamic dashboards have been created to analyse all aspects of quality, R&D, audit and training management across all sites. These real-time performance metrics facilitate quick and efficient decision-making , productivity improvement opportunities, any corrective and preventive measures to be initiated to re-assure on compliance at all times and all time readiness for regulatory audits.

Quality benchmarks show continued progress in operations

WE ARE COMMITTED TO BRING THE HIGHEST QUALITY OF PRODUCTS TO PATIENTS IN NEED. THIS COMMITMENT IS REFLECTED IN OUR ROBUST QUALITY ASSURANCE MECHANISM, SUPPORTED BY A TALENTED TEAM AND AUTOMATED PROCESSES, ENSURING WE DELIVER TOP-NOTCH PRODUCT DELIVERY YEAR-ON-YEAR.

Our efforts in automation in the areas of manufacturing and laboratory have resulted in broadening the scope of our activities in the automated environment, and thus complementing our initiatives for greater compliance. We are now poised for leveraging these actions for wider initiatives across the organisation for maximising the benefits and creating a more rewarding and conducive environment for quality and compliance.

We have also increased our data and compliance governance mechanisms and used them effectively for continuous improvements. The risk management process has been enhanced for bringing newer domains into risk management process to systematically address the concerns where needed.

We have also successfully completed the exercise of right skilling our operating staff for the ever-increasing expectations on GMP and compliance. This is to ascertain that our people continue to deliver satisfactory quality and compliance results. This has already helped us to reduce human error during various processes. We will continue with this exercise in future too.

There has been a significant focus on learning within the organisation and special efforts are put to share the learning to various facilities within the organisation. Special emphasis is given to deployment of unified standards that we want to adopt across our locations irrespective of their geographical significance.



It takes great people to do great work

WE HAVE A DIVERSE WORKFORCE WITH PEOPLE FROM DIFFERENT BACKGROUNDS AND EXPERIENCES; AND WE VALUE THE CONTRIBUTIONS OF ALL OUR COLLEAGUES. OUR PEOPLE AND THEIR WELLBEING ARE AMONG OUR KEY PRIORITIES; AND WE CONTINUE TO INVEST IN TALENT DEVELOPMENT AND MANAGEMENT ACROSS GEOGRAPHIES.



Recruiting locally

We follow a local recruitment approach for our international operations.

Nurturing our talent pool

We believe in nurturing careers and helping future leaders grow within the organisation. We launched the Future Leadership Programme (FLP) in April 2016 to focus on developing a highly committed group of employees through a structured development programme. FLP is designed to build, strengthen and enhance the leadership skills of potential leaders.

FLP participants reported lower attrition rates (of less than 10%) and post completion of the programme 50% of them changed their role, function or skills. We are currently concluding FLP II, wherein around 300 employees had applied; and at present 39 employees are undertaking the learning modules. For the first time, we are running an FLP batch at Kenya with 15 local participants.

Driving teamwork

Collaboration remains the key cornerstone of our continued success. We conduct transparent communication sessions to bolster the team spirit. During these sessions, our management leaders directly interact with our global staff members on various important topics.

We use an app-based tool SEEK for employee feedback and governance that helps us encourage a two-way communication across our worksites.

Citizenship efforts help make a difference

SUSTAINABILITY AND COMMUNITY CARE ARE EMBEDDED IN OUR CORPORATE PHILOSOPHY. OUR COMMUNITY CARE PROGRAMMES ARE CRUCIAL TO OUR SUSTAINABILITY AGENDA. WE PROVIDE NEED-BASED INTERVENTIONS IN THE REALMS OF EDUCATION, HEALTH AND EMPLOYABILITY.

HEALTH AND HYGIENE

Arogyadhama

Arogyadhama is a modern healthcare programme that caters to ~12,500 people in 10 villages in Karnataka through a state-of-the-art Primary Health Centre (PHC). The programme introduced curative, preventive and promotive healthcare in rural areas.

The healthcare centre is equipped with ultra-modern equipment like X-ray and Scan machines, laboratory facilities and minor OT. It provides out-patient services, along with specialty facilities in ophthalmology, gynaecology, paediatrics, dental treatments, pharmacy and day care.

9,000+

Beneficiaries of Arogyadhama Primary Health Centre FY 2017-18

Under the preventive and promotive healthcare, we were involved with the following programmes during FY 2017-18 which:

- Reached 1,678+ students in surrounding 33 government schools through health camps in the areas of Suragajakkanahalli, Haragadde and Indlawadi Panchayats.
- Covered 15 Anganwadis with 300+ children under the promotive healthcare scheme.



- Administered polio drops to over 100 children and vaccinated 170 children for MMR (Measles and Rubella) in coordination with government organisations.
- Reinforced focus on general health, diabetic, hypertensive, oral health and ante-natal care (ANC) through diverse outreach programmes.
- Created awareness and brought healthcare at the doorstep of 12,000 people in the vicinity of Suragajakkanahalli village.

In three years of service, Arogyadhama has received many appreciation and positive feedback from the people, government, PHCs and doctors.

Dispensaries

We operate a dispensary in Puducherry and Cuddalore that together cater to 8,500 families and ~650 patients every month at each dispensary.

Eye Camp at Puducherry

During FY 2017-18, we also conducted an eye camp at Periya Kalapet, Puducherry that:

- Tested 390 patients for cataract and other eye defects.
- Issued spectacles to 220 patients.
- Registered 15 patients for surgery and further eye care.

RO water plants

During FY 2017-18, we installed self-sustainable RO water units at Medahally and Siddanapalya to cater to 4,500 people. In Puducherry, we erected a new RO water unit to supply potable water. We also shouldered the responsibility to maintain RO water units in five different locations of Puducherry and two schools in

Kalapet. During the reporting period, we also volunteered to supply drinking water to two remote villages in Cuddalore.

Health camps

We organised several preventive general medical camps in 16 villages in Suragajakkanahalli and Indlawadi Panchayat areas, benefiting 5,800 people.

Specialty health camps

We also conducted several special health camps focussed on women's healthcare, diabetes and hypertension.

- 750 women covered and 155 treated through women healthcare camp.
- 428 women benefited from the gynaecology camp.
- 360 people covered and 92 treated in diabetics and hypertensive health camps at four villages of Suragajakkanahalli.

EDUCATION

LeAPS

Leadership Adoption Programme at Schools (LeAPS) imparts life skills training and effective examination skills for children in government schools. It is designed to help and motivate students through:

- Innovative training methodologies.
- Live application that takes children beyond their classrooms.
- Highly stimulating and fun experience.

The programme involves children, parents and teachers, while focussing on holistic development of children. It instils discipline, confidence and self-belief among children and empowers them through training in social etiquette and exposing them to different aspects of life like value education and safety. The programme also provides children with different experiences with trips to planetarium, metro rail rides, national park and so on.



~250

Students benefited from LeAPS programme

Other projects encouraging education and sports

- Upgraded the infrastructure of a government-run primary school in Lakshmipura, Indlawadi Panchayat, by constructing two classrooms and a stage.
- Introduced student counselling programme at Chevalier Sellan Boys Higher Secondary School, Kalapet with the objective to:
  - Ensure students realise their potential for healthy growth.
  - Focus on academic, career and personal/social development of students.
- Sponsored various initiatives for cultural and talent development in different educational institutions like the University of Puducherry, Law Collage and Government Medical College.
- Funded academic conferences and seminars benefiting thousands of students.
- Provided coaching to students of 10th and 12th standards of Government Girls and Boys High School Puducherry, helping over 300 students.
- Felicitated 50 teachers at Puducherry Government Boys High School for their outstanding services and six students for their educational performance.
- Supported volleyball and Kabbadi tournaments, along with providing sports kits to encourage rural sports in the villages of Puducherry and Cuddalore

Helping develop national-level champions

We also sponsored two candidates who qualified for the national-level Power Lifting Championship in Kalapet, Puducherry.

EMPLOYABILITY

Vocational skill development

We initiated the Employment Empowerment Programme in association with Swami Vivekananda Rural Community College (SVRCC) to equip the youth of neighbouring villages. We trained 100 students in various vocational courses, in the first batch, of which 97 are placed well. Hundred students are ready to be employed and we are now enrolling the third batch.

OTHERS

Employee volunteering in green drive

We organised a Green Initiative Drive to create awareness about the preservation of nature. Under this programme, our colleagues (230) and volunteers (40) participated to plant 270 saplings in a 5 km stretch from Indlawadi cross to Indlawadi village in Bangalore.



Board of Directors



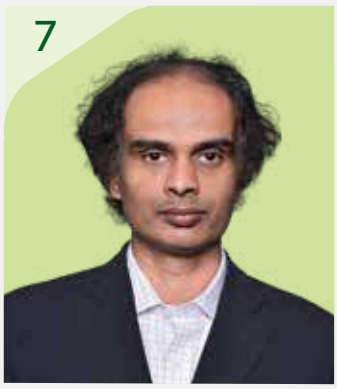












1 **DEEPAK VAIDYA**
Chairperson

2 **ARUN KUMAR**
Group CEO and Managing Director

3 **S. SRIDHAR**
Independent Director

4 **HOMI RUSTAM KHUSROKHAN**
Independent Director

5 **BHARAT. D. SHAH**
Independent Director

6 **SANGITA REDDY**
Independent Director

7 **BADREE KOMANDUR**
Executive Director - Finance

Management Team

INDIA (Corporate)

ARUN KUMAR
Group CEO & Managing Director

SHASHANK SINHA
CEO – International Business

BADREE KOMANDUR
Executive Director – Finance

RAMARAJU PVS
Chief Operations Officer

UMESH KALE
Chief Quality Officer

LAKSHMI NARAYANAN
Chief Information Technology Officer

VINOD NAIR
Sr. Vice President – Institutional Business

AMOL MEHTA
Vice President – Regulatory Markets

AUSTRALIA

DENNIS BASTAS
Executive Chairman, Arrow Pharmaceuticals

ANDREW BURGESS
CFO, Arrow Pharmaceuticals

USA

MOHAN DEVINENI
President – Technical, Strides Pharma Inc.

KEVIN KNARR
Sr. Vice President, Strides Pharma Inc.

SINGAPORE (International Headquarters)

MOHAN KUMAR
CEO & Managing Director, Strides Pharma Global

UK

SOHEL ISLAM
Head – Sales, Strides Pharma UK Ltd.

SOUTH AFRICA

GABRIEL RICHARD SIMAAN
Managing Director, Trinity Pharma

KENYA

PERVIZ DHANANI
Managing Director, Universal Corporation Ltd.

Management Discussion and Analysis

Industry structure and development

Global economy

World economic growth in 2017 stood at 3.8%, the fastest since 2011. Notably, sustained trade and investment powered the global upturn. More rapid growth in the Eurozone, emerging Asia and the US propelled this acceleration in global output. On the back of supportive global tailwinds, growth is expected to rise to 3.9% in both 2018 and 2019. Concerns, however, remain owing to geopolitical constraints and a shift towards protectionism [Source: International Monetary Fund (IMF)]. Moreover, on the inflation front, while the escalation in commodity prices, especially crude oil, led to an increase in fuel prices and thereby headline-inflation in advanced economies, core-price inflation continued to remain range bound.

Economies in the Euro area are narrowing down excess capacity with the help of favourable monetary policies. In addition, the cyclical upswing and effects of the expansionary fiscal policies adopted by the US are likely to run their course in the medium term. With easy financial conditions and low inflation that has required protracted monetary policy accommodation, a potential build-up of financial vulnerabilities may give way to rapid tightening of global financial conditions, adversely impacting confidence and growth. Other risks comprise a shift towards inward-looking policies that jeopardise international trade and may lead to geopolitical tensions and strife.

In contrast, emerging market and developing economies (EMDEs), through enhanced capacity utilisation for labour and capital, present headroom for growth. According to the IMF, medium-term growth in EMDEs will be close to their 2018 and 2019 levels. This projection follows from the expected increase in India's growth that will offset China's gradual slowdown and emerging Europe's return to its lower-trend growth rate.

Global growth pattern (%)

	2017	2018 (P)	2019 (P)
World output	3.8	3.9	3.9
Advanced economies	2.3	2.5	2.2
United States	2.3	2.9	2.7
Euro area	2.3	2.4	2.0
Japan	1.7	1.2	0.9
Australia	2.3	3.1	3.0
Other advanced economies*	2.7	2.7	2.6
Emerging market and developing economies	4.8	4.9	5.1
Emerging and developing Asia	6.5	6.5	6.6
Sub-Saharan Africa	2.8	3.4	3.7

*Excludes the United States, Canada, the UK, Euro area countries, and Japan | P: Projections
[Source: International Monetary Fund (IMF)]

Indian economy

Despite short-term challenges, the Indian economy continued to be one of the fastest-growing major economies of the world. The year saw the Government introduce the unified tax regime – Goods and Services Tax (GST) – to create a single marketplace. While initially there were some transitory problems faced along the supply chain and compliance responsibilities, India Inc. welcomed the move towards greater transparency and formalisation in the economy. Consumer sentiments remained subdued for the first half of the year, while the second half witnessed a revival in economic activity.

The economy grew by 7.7% in the fourth quarter, demonstrating resilience and depth, having endured the twin impacts of demonetisation and GST. The overall growth rate for the entire fiscal stood at 6.7%. During FY 2017-18, the international rating agency Moody's raised India's investment grade to Baa3, the first upgrade in 14 years; changing the outlook from stable to positive. India also entered the top 100 of the World Bank's 'Ease of Doing Business' index. The Economic Survey 2017-18 forecasts a growth rate of 7-7.5% for FY 2018-19, citing private investments and exports as the two engines of growth.

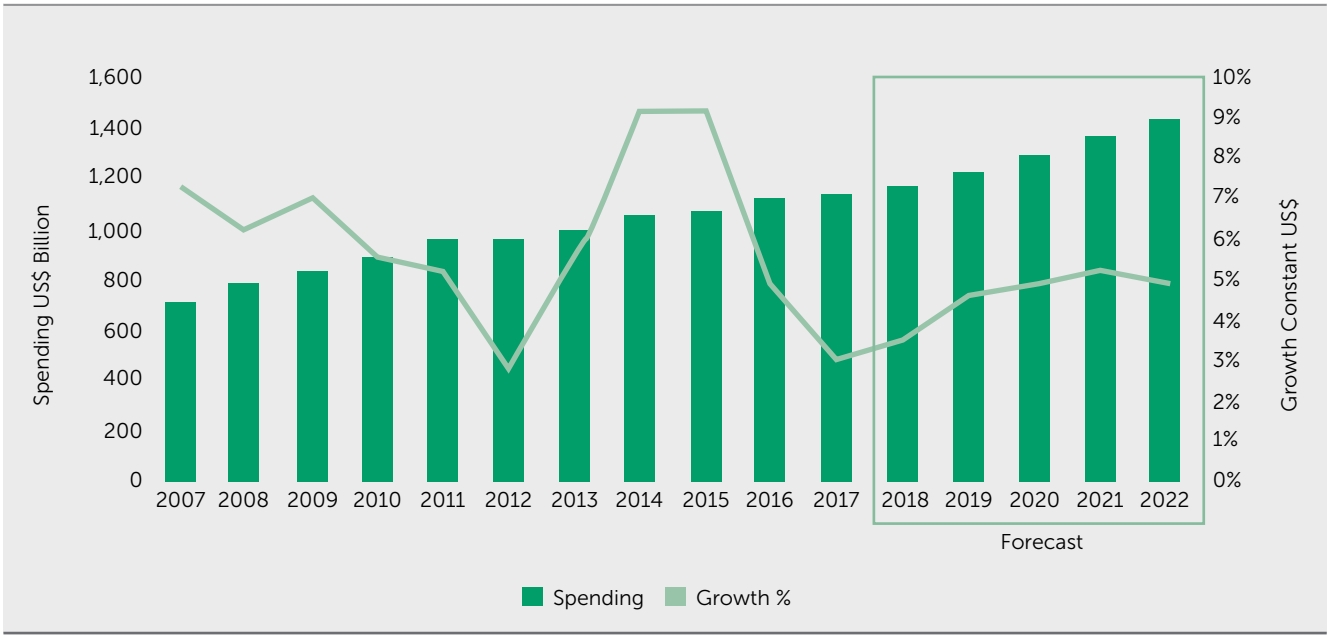
Global pharmaceutical industry

Growing at an average compound annual growth rate (CAGR) of 3 to 6%, the global pharmaceutical spending is projected to reach US$ 1.4 Trillion by 2022, from US$ 1.1 Trillion in 2017. Demographic changes in society, improved purchasing power and overall economic progress will also elevate spending. Globally, governments are implementing pharmaceutical costs controls to improve affordability and access.

A significant proportion of the spending growth in developed markets, will be driven by ageing population, a rise in speciality medicines and innovations in oncology, autoimmune and diabetes treatments. Developed markets are expected to grow at 2-5% CAGR, from US$ 753 Billion in 2017 to reach US$ 915-945 Billion in 2022.

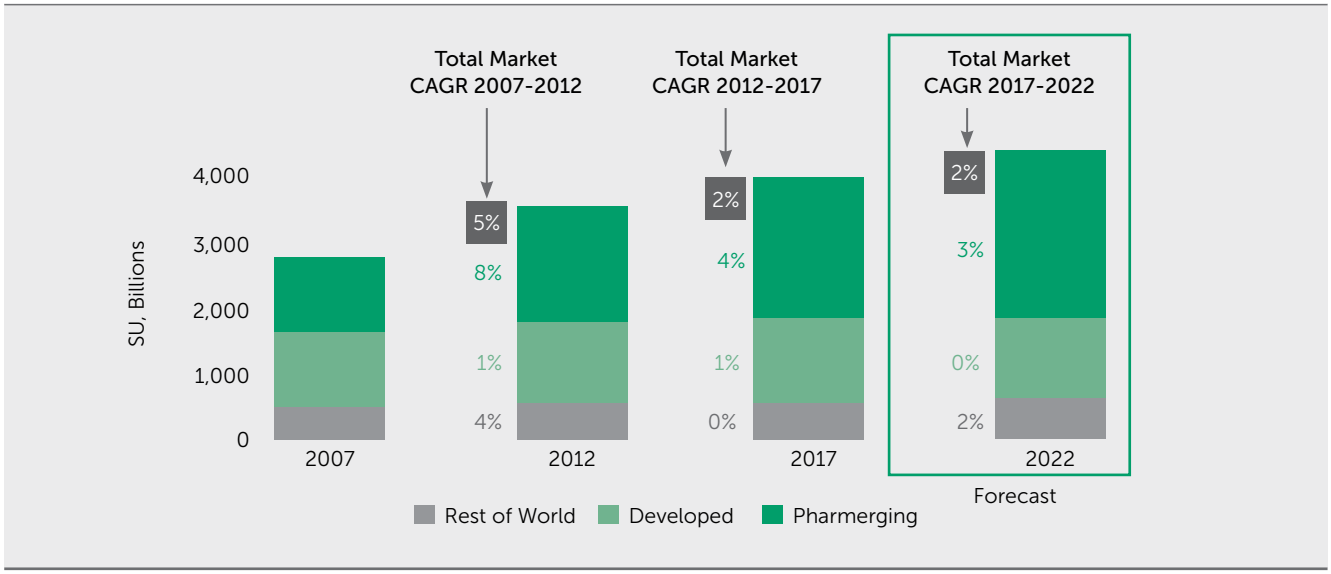
Growing population and disposable incomes, coupled with rising aspirations for better healthcare, will drive spending in pharmerging markets. Majority of medicine use and expenditure in these regions continues to be for non-branded drugs, and payment is primarily out-of-pocket, ultimately linking medicine spending growth to economic growth of economies. Pharmerging markets are projected to grow at 6-9% CAGR, from US$ 270 Billion in 2017 to reach US$ 345-375 Billion in 2022 – the fastest-growing markets in the world. [Source: IQVIA Market Prognosis, October 2017]

Global pharmaceutical market spending and growth 2007-22



[Source: IQVIA Market Prognosis, September 2017; IQVIA Institute October 2017]

Global medicine volume growth 2007-22



Source: IQVIA Institute, October 2017
Notes: CAGR = Compound Annual Growth Rate
Developed: USA, EU5 (Germany, France, Italy, UK and Spain), Japan, Canada, South Korea and Australia
Pharmerging: 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

Regional spending

Regions	2017	2013-2017 CAGR	2022	2018-2022
	(US$ Billion)	(%)	(US$ Billion)	(%)
Developed	753	5.8	915-945	2-5
Pharmerging	270	9.7	345-375	6-9
Rest of the World	112	2	125-155	2-5
Global	1,135	6.2	1,415-1,445	3-6

[Source: IQVIA Market Prognosis, September 2017; IQVIA Institute October 2017]

Spending by region and product type in 2022



[Source: IQVIA Market Prognosis, October 2017]

Market for innovators

Speciality medicines overtook traditional medicines for the 10th year in a row. Innovation in speciality medicines and declining growth in conventional medicines drove the speciality share of global spending from 19% in 2007 to 32% in 2017.

Speciality is likely to reach 48% of spending in developed markets by 2022. In these markets, the speciality share will rise more slowly than the last few years, surpassing half of the medical spending in the US, Germany, France, Spain and the UK, in 2022.

Overall, the growth of speciality medicines will be constrained by cost and access controls and a greater focus on assessment of value. [Source: IQVIA Market Prognosis, October 2017]

Generics market

Globally, the market for generics, particularly in the Emerging Markets and Developing Economies (EMDEs) benefited from government initiatives to promote production and use of such drugs. Patent expiry of branded products fuels the growth of generic drugs market.

Affordable generic substitutes will drive improvement in generic penetration globally driving demand and growth. Regional markets that are still nascent represent new opportunities for expansion.

Key pharmaceutical markets

Regulated markets

USA

Being the global market leader, the US is responsible for the bulk of the growth in pharmaceutical spending. The US pharmaceutical market is projected to grow by 4-7% CAGR from US$ 467 Billion in 2017 to US$ 585-615 Billion in 2022. [Source: IQVIA Market Prognosis, October 2017].

The country's key pharmaceuticals regulator, US Food and Drug Administration (FDA) revealed that it approved 46 novel drugs in 2017 – highest in two decades and more than twice the number approved in 2016. Indian pharmaceutical companies in 2017 received final approvals from the USFDA for 304 abbreviated new drug applications (ANDAs) out of the total 846 given globally, accounting for ~36% of the overall approvals. This is up 43% from 211 ANDAs in 2016. In October 2017, the FDA issued a draft guidance, under the revised Generic Drug User Fee Amendments (GDUFA II), describing a new fee structure for generic drug-makers which will further augment its existing resources. The agency is expected to formally issue a framework in 2018 to accelerate the drug approval process even more. This will ensure that patients have access to safe, high-quality, and affordable generic drugs with greater predictability and timeliness for review of generic drug applications. All of this augur well for pharmaceutical players keen on consolidating their presence in the US drug market, mainly generics.

The current administrative climate in the US is conducive to moderated and constant drug prices as there is greater scrutiny of drug pricing policy in the US, with the price of a new drug being weighed against the value it delivers. Patent expiry and the consequent loss of brand exclusivity are expected to lower US drug prices. The US will witness patent expiry of brands worth US$ 77.2 Billion in the next 5 years, providing further growth impetus for generic industry.

EU5

Europe's increasing patient pool for chronic diseases and changing over-the-counter drug scenario are driving its pharmaceutical market. Most pharmaceutical companies are diversifying their product portfolio and evaluating inorganic growth opportunities in the European market. Expanding product reach, particularly in non-US markets, is critical to spreading out the risk base of these pharmaceutical companies. The recent spurt in mergers and acquisitions (M&As) in the region is an indicator of Europe's evolution into a key opportunity market for most players in the sector.

Growth in medicine spending in the top five European (Germany, France, Italy, Spain and the UK) markets will increase from US$ 154 Billion in 2017 to US$ 170-200 Billion in 2022, growing at an estimated 1-4% CAGR [Source: IQVIA Market Prognosis, October 2017]. These five markets cumulatively will account for 69% of the European pharmaceutical market in 2022 [Source: Evaluate European Pharma Outlook report]. The European Medicines Agency (EMA) will shift from the UK to the Netherlands, as a direct consequence of Brexit. This may affect the drug approval process; and thereby the revenue streams of pharmaceutical companies.

Japan

Japan's pharmaceutical spending stood at around US$ 85 Billion in 2017. It is estimated to continue to grow at a sluggish pace to reach US$ 85-89 Billion by 2022. The country's high dependency ratio and complex regulatory procedures inhibit growth in the sector, but the government is increasingly focusing on the use of generics and greater openness [Source: IQVIA Market Prognosis, October 2017].

Australia

Australia's pharmaceutical market is set to grow marginally from US$ 13 Billion in 2017 to US$ 16 Billion by 2022, registering 1-4% CAGR [Source: IQVIA Market Prognosis, October 2017].

The Australian government is playing a proactive role in ensuring a wider adoption of generics in clinical practice and lowering the prices of medicines in the country. A recent study by Grattan Institute concluded that the prices of crucial branded drugs in Australia were higher in comparison to its developed counterparts across the world. The government announced a series of interventions to encourage physicians to prescribe generic products, with the objective of bringing generic use to 80% vis-à-vis branded drugs.

Currently, Australia's medicine sales are driven by rising demand for treatments, successful innovation, product line expansion, strong clinical study outcomes and various FDA approvals. The revamped drug approval process and the proposed upgradation of outdated cost-push regulations will also benefit the industry.

Pharmerging markets

The pharmaceutical spending in pharmerging markets stood at around US$ 269.6 Billion in 2017. It is estimated to grow at 6-9% CAGR during the next five years, to reach US$ 345-375 Billion in 2022 [Source: IQVIA Market Prognosis, October 2017].

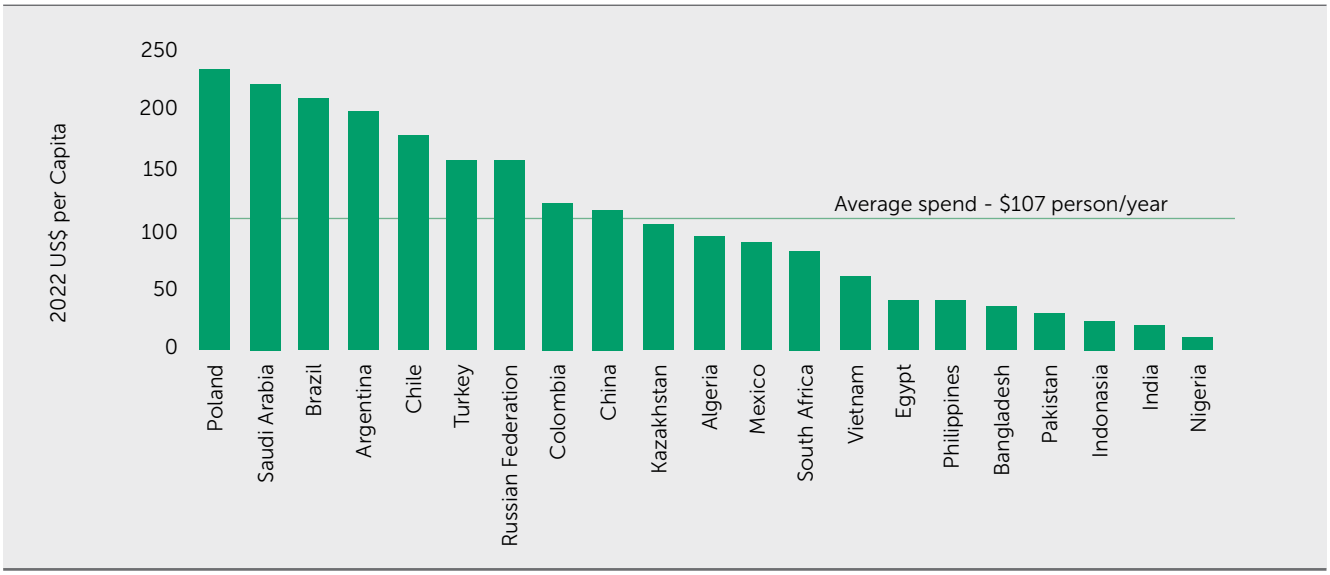
Pharmaceutical spending in pharmerging markets

(US$ Billion)

Region/Country	2017	2013-2017 CAGR	2022	2018-2022 CAGR
Pharmerging markets	269.6	9.7%	345-375	6-9%
China	122.6	9.4%	145-175	5-8%
Tier 2	67.3	11.2%	89-93	7-10%
Brazil	33.1	11.5%	38-42	5-8%
India	19.3	11%	26-30	9-12%
Russia	14.9	10.8%	20-24	7-10%
Tier 3	79.7	8.9%	95-125	6-9%

[Source: IQVIA Market Prognosis, October 2017]

Pharmerging countries' medicines spend per capita in 2022



Source: IQVIA Market Prognosis, September 2017; IQVIA Institute October 2017
Notes: Spending per capita, per capita growth and overall spending growth in Constant US$

China

China, the world's largest pharmerging market, is likely to grow by a CAGR of 5-8% over the next five years to reach US$ 145-175 Billion in 2022 [Source: IQVIA Market Prognosis, October 2017]. The new Generic Quality and Efficacy Evaluation guidelines in China are intended to drive registration and development of bioequivalent generics. Off-patent originators, at present, account for nearly 18% of spending in China [Source: IQVIA 2018 and Beyond, March 2018]. Estimates suggest that 50-85% of this spending on off-patent originators could shift to bio-equivalent, locally produced generics within the next half-decade [Source: IQVIA 2018 and Beyond, March 2018].

Africa

Africa's pharmaceutical industry is expected to grow from US$ 20.8 Billion in 2013 to reach US$ 40-65 Billion by 2020 [Source: McKinsey & Company]. This growth is driven by an expansion of primary health care capacity. The continent is likely to be responsible for a significant proportion of pharmerging markets' spending in the coming decades and portends well for multi-national pharmaceutical companies seeking new growth avenues.

The major problem for Africa is the establishment of a reliable supply and distribution mechanism, due to underdeveloped regulations and insufficient logistical infrastructure. Healthcare challenges in some African countries translate into future opportunities for industry players. South Africa continues to be the largest market in pharmaceuticals among other African nations.

About Strides

Incorporated in 1990, Strides is a global pharmaceutical company that operates across two business verticals in regulated markets and emerging markets. We have a strong commercial presence across 100+ countries and are headquartered in Bangalore.

We have a global manufacturing footprint with eight production units spread across three continents. Six of our manufacturing facilities cater to regulated markets and have key regulatory approvals including USFDA, UK MHRA, TGA, PMDA ANVISA, WHO. We also own two dedicated production facilities for the emerging markets.

We enjoy robust research and development (R&D) infrastructure in India with global filing capabilities. Our R&D capabilities help us to develop and manufacture a wide range of niche and technically complex pharmaceutical products. We are also among the world's largest soft gelatin capsule manufacturers.

Evolution of Strides 2.0

At Strides, our objective is to build a diversified consumer-focussed global formulations business. We have evolved as a global B2C pharmaceutical company and our primary focus today is on further developing our front-end presence in regulated and emerging markets to achieve considerable scale. Over the last few years, we have put together the building blocks to commence the next leg of our journey. In the last three years, we have made significant investments in strategic acquisitions, capacity expansions, R&D, IT infrastructure and compliance to build a strong foundation for Strides 2.0. Our strategic initiatives have helped us attain critical size and has repositioned the Company as a well-diversified, consumer-facing formulations player with an enhanced focus towards regulated markets.

We have robust front-end presence in the regulated markets of Australia, the US and the UK. We also have presence in continental Europe through strategic partnerships. We have six facilities for regulated markets (five with USFDA approval) in India, Singapore and Italy that complement our business. We have an R&D centre in Bangalore which is focussed on developing and filing niche and differentiated products for global markets. Our emerging markets business comprises our front end presence in sub-saharan Africa region through our branded business and we also work closely with donor funding agencies for supplies of anti retrovirals and anti malarial products.

Regulated markets

USA

Amidst macro headwinds, US still the largest growth market with a recalibrated strategy

In the US market, we operate the front-end business through our subsidiary, Strides Pharma Inc. We are on the cusp of getting to a critical size in the US. Our focus is mainly on niche, low volume, low competition, high technology barrier products built around modified releases (MRs), soft-gel capsules (SGCs), topicals and liquids. We also produce high competition products where we enjoy the benefits of a fully integrated value chain through our most preferred customer status with Solara Active Pharma Sciences for the API supplies.

At the end of FY 2017-18, we had a portfolio of 74 filed ANDAs (with 30 pending approvals). Several of our commercialised products in the US are ranked amongst top 3 on a volume market share. We also have received several customer award including the Cardinal Health Supply Chain Excellence Award for 2017.

Going forward, we will utilise our R&D capabilities for 20-25 filings every year to benefit from new Generic Drug User Fee Act (GDUFA) regulations. Additionally, we will reduce dependence on partnership business and in the coming years, we will leverage our front-end presence to scale our business.

Key highlights of FY 2017-18

- Sustained R&D investments at ₹1,176 Million against ₹1,070 Million in the previous year
- Product filing and approval gained momentum with 12 new ANDA filings and 14 product approvals received
- Continued to gain market share for front-end products: Ranitidine (35%), Dutasteride (33%), Ergocalciferol (38%), Methoxsalen (40%), Benzonatate (16%) and PEG Rx (25%)
- Witnessed single-digit price erosion for front-end portfolio

Outlook

- Recalibrate strategy with a front-end bias towards sustainable growth
- Exiting partnership business with no new partnership contracts being signed. Around 50% of value under partnership business to be launched through our front-end by end of FY 2018-19
- Ensure filings momentum with 20-25 ANDA filings per year
- Expand own front end to deliver growth
- Intend to launch 15 new products in FY 2018-19

Australia

Bolster our Australian leadership positioning with margin improvements

After re-entering Australia through the acquisition of Arrow in 2015 and several business initiatives, we are now ranked No. 2 by volumes and No. 3 in revenues in the Australian generics market.

We have a long-term relationships with Sigma (largest wholesaler in Australia) and Pharmacy Alliance (a group company) that have helped improve our pharmacy footprint. Going forward, we expect a double-digit growth rate ahead of the market. We are focused on increasing our pharmacy footprint and expanding our product portfolio through in-house development and by in-licencing products.

With our intent to merge our Australian business with Apotex, we expect to be a market leader in Australia's generics pharmaceutical industry (subject to certain customary closing conditions and statutory approvals).

Key highlights of FY 2017-18

- Achieved ramp-up with increase in pharmacy footprint to 1,400+ and launch of 29 new products
- Expanded margin by leveraging efficient operations and supply chain, including site transfer to in-house manufacturing
- Recorded robust performance in Chemist's Own OTC portfolio
- Completed integration of the Amneal acquisition

Outlook

- Expect to grow ahead of markets with sustained margins
- Expand product portfolio in Rx and OTC segments
- Further enhance pharmacy footprint
- Improve throughput with better compliance for Arrow products at store level
- Leverage our in-house manufacturing base in India and Singapore to deliver further cost of goods sold (COG) savings

Other regulated markets

Leveraging strong regulated market portfolio through portfolio maximisation

Other regulated markets for us comprises all regulated markets excluding the US and Australia. As part of our portfolio maximisation strategy, we are enhancing our presence across other regulated markets, which provide significant opportunities. We are focussed on leveraging our wide-ranging regulated market portfolio to build a low investment high return opportunity in these markets.

Key highlights of FY 2017-18

- Continued traction in the UK front-end
- Introduced new products and improved market share for key molecules in rest of Europe aided growth in the region
- Forayed recently into high entry-barrier market of South Africa through acquisition of controlling stake in Trinity Pharma

Outlook

- Expand UK front end through more Rx and OTC listing at wholesalers
- Multiply product offering through strategic collaborations in the rest of Europe, including entry into new geographies
- Capitalise on Trinity's established distribution channel in South Africa for faster commercialisation of existing Strides products including ARV portfolio in non-tender market

Emerging markets

Institutionalise efficiencies for a profitable African and emerging market branded generics play

Our focus is on creating a leading branded generics platform in Africa by leveraging our portfolio of mega brands.

Africa

In Africa, we are pursuing the 'In Africa, for Africa' strategy. At present, we have significant sales footprint with presence in over 40+ Sub Saharan African countries and we also have access to one of the very few WHO approved sites in the region. We have a robust medical field force in Africa that has helped us extend our reach to over 30,000 doctors. We currently have 750 products registered and a pipeline of 500+ product registrations. We also enjoy strong brand equity with doctors and the community at the local level. In Africa, our objective is to attain a leadership position in key markets with a focus on lifestyle chronic therapies driven by brands.

Key highlights of FY 2017-18

- Delivered healthy secondary sales growth of 22% for branded business in French Africa (according to IMS) and recorded 2x of market growth
- Focussed on maintaining a healthy primary to secondary sales ratio

- Key brands including - Renerve, Solcer, Combiart continue to maintain healthy market share

Outlook

- Focus on building a portfolio of power brands
- Maintain market leading secondary sales growth trend for brands business in Africa
- Continued focus on better balance of primary and secondary sales
- Drive margin expansion through superior product portfolio and improved MR productivity
- Expand footprint in East Africa to strengthen the branded generic platform in Africa

Institutional business

Focus on new treatment regimens

We develop and manufacture drugs in the anti-retroviral and anti-malarial segments for our institutional business. Our customers for this business segment include institutionally-funded aid projects and global procurement agencies. We have filed dossiers with product registrations across emerging markets. We continue to strengthen our R&D initiatives to develop next-generation products according to donor agency guidelines to enhance our growth in this segment. Moreover, we will leverage our strong visibility with innovator organisations to be among the first wave of launches in select emerging markets.

Key highlights of FY 2017-18

- Reported a challenging year for ARV business with compressed margin for supplies under long-term contracts
- Witnessed non-viability of certain businesses at current pricing levels due to the disruption of the API supply chain globally
- Retained our market share in the new malaria tender, however, the overall tender size has shrunk by ~50% top line

Outlook

- Forecast of subdued growth in a challenging business environment
- Expect weakness in Antimalaria to continue in current year
- Improve business margins by renegotiating pricing for ARV contracts
- Introduced next generation ARV drugs in line with evolving treatment regimens - products already in R&D pipeline for development
- Stay invested in institutional business as it helps recover manufacturing cost

Financial Highlights

Consolidated

₹ in Million

Particulars	FY 2016-17	FY 2017-18
Revenues	27,581	28,576
EBIDTA	6,027	4,369
EBIDTA margin (%)	22	15

People at our core

We are as good as our teams that drive our growth trajectory. Our focus remains steady on attracting and retaining the best industry talent, nurturing them in a friendly workplace and motivating them to shoulder challenging responsibilities.

We foster merit-based recruitments and support adequate training to enhance skill-sets and upgrade their knowledge. We also impart leadership and managerial development training for improved performance of our team. These interventions help motivate our people to ensure organisational excellence. Besides, with curriculum-based learning programmes, we help our people to improve efficiency consistently. We have employee-friendly HR policies to boost the motivation levels of our teams and keep them aligned with the Company's vision. Moreover, we have built a multi-cultural and diverse workforce which comprised 2,100+ members as of March 31, 2018.

Round-the-clock risk governance

Risks	Risk definition	Risk mitigation
Regulatory risk	We operate in a highly regulated industry. Any failure to comply with applicable regulations may adversely impact our operations and business growth.	• 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 World Health Organisation (WHO) and USFDA • Routine upgradation of audit procedures to comply with any changes in international regulatory requirements, such as those of US FDA, MHRA (United Kingdom), ANVISA (Brazil) and TGA (Australia), among others
Research and development risk	If we are incapable of pushing the innovation envelope, we may fail to capitalise on emerging opportunities.	• Our dedicated R&D efforts are directed towards innovative technologies, designed to expand our product portfolio. • Our R&D facility is located in India — Bengaluru • Filed application for 12 ANDAs in the US
Operation risk	Our profitability and margins can decline in case our raw material supply gets interrupted or operational cost rise.	• Long-term contracts with approved vendors (domestic and global) after stringent vendor audit ensures supply of raw materials • Round-the-clock review mechanism to enhance optimum utilisation of operational facilities • Our globally benchmarked manufacturing facilities are certified by the world's top regulatory authorities for production efficiency
Quality risk	Our business may be adversely impacted if there are manufacturing or quality control challenges. This may further expose us to litigation or other liabilities, which may adversely affect our business.	• We continue to elevate our quality assurance procedures in line with global standards • Our quality control department ensures materials are received from our approved lists of vendors; and materials comply with internal standards and specifications
Marketing risk	We may not be able to evolve the relevant marketing approach for faster customer outreach, which may jeopardise product offtake and hamper growth.	• Presence in 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 with Sigma and Pharmacy Alliance allows us access to around 1,400 pharmacies. Proposed merger will Apotex will make us one of the leading pharmaceutical company in Australia • **Africa:** Significant field team drives our branded generics business • Approved supplier 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 risk	IT-enabled systems and processes enhance integration and accelerate decision-making. Our inability to implement advanced technologies or lack of a strong IT framework and infrastructure may impact business operations	• 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)

Internal control systems and adequacy

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

Board's Report

Dear Members,

Your Directors have pleasure in presenting the Twenty-Seventh Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2018.

We are also delighted to introduce a new name to the relationship you have cherished with us for long. Strides Shasun Limited is now renamed as Strides Pharma Science Limited effective July 18, 2018.

1. Financial Summary (Consolidated & Standalone)

₹ in Million

	Particulars	Consolidated Basis				Standalone Basis			
		FY 2017-18		FY 2016-17		FY 2017-18		FY 2016-17	
		INR	USD*	INR	USD**	INR	USD*	INR	USD**
1.1	**Financial Results**								
	Continuing Operations								
	Income	29,334.35	450.19	29,165.22	449.66	16,258.05	249.51	15,508.74	239.11
	Operating Profit (EBIDTA)	4,906.02	75.29	6,884.33	106.14	3,532.89	54.22	3,397.75	52.39
	Net Profit (PAT)	**702.14**	**10.78**	**2,797.10**	**43.13**	**1,564.48**	**24.01**	**1,519.36**	**23.43**
	Reserve & Surplus	23,650.61	362.96	26,594.00	410.02	30,725.16	471.53	31,431.04	484.60
	Non-Controlling Interest	1,546.48	23.73	1,335.01	20.58				
1.2	**Profits**								
	Operating Profit (EBIDTA)	**4,906.02**	**75.29**	6,884.33	106.14	**3,532.89**	**54.22**	**3,397.75**	**52.39**
	Less:								
	Interest	1,962.43	30.12	1,831.03	28.23	819.70	12.58	719.64	11.10
	Depreciation & Amortisation	1,540.35	23.64	1,261.51	19.45	778.05	11.94	700.06	10.79
	Exceptional Items	435.78	6.69	364.28	5.62	293.81	4.51	151.59	2.34
	Profit Before Tax	967.46	14.85	3,427.51	52.84	1,641.33	25.19	1,826.46	28.16
	Share of profit / (loss) of joint ventures and associates	(167.99)	(2.58)	3.64	0.06				
	Profit Before Tax	799.47	12.27	3,431.15	52.90	1,641.33	25.19	1,826.46	28.16
	Less: Tax Expenses								
	Current tax expenses	485.12	7.45	484.74	7.47	373.22	5.73	124.97	1.93
	Current tax expenses relating to prior years	-	-	(6.61)	(0.10)	-	-	(6.61)	(0.10)
	Deferred tax expenses	(107.03)	(1.64)	(3.86)	(0.06)	(15.61)	(0.24)	28.96	0.45
	MAT Credit entitlement	(280.76)	(4.31)	159.78	2.46	(280.76)	(4.31)	159.78	2.46
	Profit After Tax	702.14	10.78	2,797.10	43.13	1,564.48	24.01	1,519.36	23.43
	Profit/ (Loss) from Discontinued operations	**6,101.23**	**93.63**	**1,662.37**	**25.63**	**7,351.43**	**112.82**	**(433.99)**	**(6.69)**
	Total Profit	6,803.37	104.41	4,459.47	68.76	8,915.91	136.83	1,085.37	16.73
	Other Comprehensive Income								
	Items that will not be reclassified to profit/ (loss)	(202.39)	(3.11)	(209.46)	(3.23)	(0.87)	(0.01)	(94.13)	(1.45)
	Items that may be reclassified to profit/ (loss)	42.12	0.65	(233.36)	(3.60)	(196.60)	(3.02)	130.75	2.02
	Total Other Comprehensive Income (Net of Tax)	(160.27)	(2.46)	(442.82)	(6.83)	(197.47)	(3.03)	36.62	0.56
	Total Comprehensive income	6,643.10	101.95	4,016.65	61.93	8,718.44	133.80	1,121.99	17.30
	Opening balance of Profit and Loss	2,184.74	33.53	(1,362.00)	(21.00)	3,930.01	60.31	3,276.90	50.52
	Pursuant to Scheme of Amalgamation	(7,038.43)	(108.02)	-	-	(7,038.43)	(108.02)	-	-
	Available for appropriation	1,751.00	26.87	2,635.49	40.63	5,807.49	89.13	4,362.27	67.26
1.3	**Appropriations**								
	Dividend on Equity Shares								
	Final Dividend	(402.72)	(6.18)	(357.46)	(5.49)	(402.72)	(6.18)	(357.46)	(5.51)
	Tax on Final Dividend	(40.50)	(0.62)	(74.80)	(1.15)	(75.48)	(1.16)	(74.80)	(1.15)
	Dividend to non-controlling interest shareholders	(9.78)	(0.15)	(18.49)	(0.28)				
	Tax on dividend from foreign subsidiaries (to the extent adjusted against final dividend)	(34.98)	(0.54)	-	-				
	Balance carried to Balance Sheet	1,263.02	19.38	2,184.74	33.72	5,329.29	81.79	3,930.01	60.59

Note:

* 1 USD = INR 65.16 (Exchange Rate as on March 31, 2018)

** 1 USD = INR 64.86 (Exchange Rate as on March 31, 2017)

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

2. Company's performance

During the reporting period, your Company recorded an overall subdued performance. While our strategy continues to build momentum, our execution did not match expectation, especially in the second half of FY 2017-18. We faced significant number of challenges primarily in our US partnered venture and the institutional business. During the year under review, we also launched our consumer health division in a difficult market environment. In hindsight, we believe we could have strategised better for improved outcomes. Additionally, we continue to struggle with the gap between our secondary and primary sales in Africa.

Despite several headwinds, our Australia operations reported a successful year. A non-US non-Australia regulated market was a win considering the significant growth that we have achieved, albeit on a low base. We also exited the India brands business that allowed us to pay significant debt and completed several corporate actions on schedule in line with our articulated strategy.

During FY 2017-18, your Company undertook several measures to develop itself as a diversified business-to-customer (B2C) player.

The US continues to be our largest market, but ~65% of our US business is currently partnered. At present, we are working very hard to reduce our dependency on our partners. We recalibrated our strategy for the US market and in FY 2018-19, we will be working towards building the frontend business ourselves. We are also pleased to report that over 50% of the revenues that were partnered have since been brought back to our own fold in terms of value. The US business still continues to be an exciting and profitable venture for a new player like us with our own frontend.

In Australia, our strategy is to bolster our leadership position. During the reporting period, our margins increased owing to operating leverage. We have also announced a transaction involving Apotex recently. We believe that our focus on markets outside the US and Australia have led to early success with some traction visible.

We have been fairly successful with our operations in the UK, parts of Europe and now South Africa. Our IP portfolio in Australia is very valuable but fungible across all other markets. Therefore, we are very focussed on leveraging it across Canada, Europe, the UK and South Africa with minimal regulatory costs. This will allow us to maximise our business in the segment and we are confident that in the next 2 to 3 years, it would emerge as a significant part of our revenue mix.

Our Africa business is shaping very well based on our robust secondary sales and we are tracking ~3x industry growth, which is great in the markets where IMS data is available. Besides, our Africa venture continues to have suboptimal base, offering us the headroom to grow; going forward, we will focus in this space.

Our institutional business had its toughest year due to compressed opportunity in malaria treatment and the margins remained almost negligible vis-à-vis previous years. The long-term contracts for our ARV business suffered significantly due to increase in prices of APIs. However, the increased pricing of APIs is now a very common trend and we expect to recover soon in this segment. We have been very frugal in how we are approaching this business and it still forms a very important part of our under-recovery strategy for manufacturing operations.

During the reporting period, our R&D operations remained effective as we filed 12 ANDAs against a target of 15-20 new product ANDA filings per year. Besides, we filed 5 additional ANDAs in April and May 2018. Our focus remains unwavering in receiving the approvals in 10 months and for that we intend to take a month or two extra to ensure our filing qualities are superior.

We received fairly quick approvals for 14 new products during FY 2017-18 and three additional approvals in April and May 2018. We also secured approval for Ibuprofen Softgel capsule, which is an extremely important product, during this phase.

Going forward, we will stay focussed on building our fortunes in the US market with constant emphasise on niche products or products on which we have complete control. Furthermore, we are confident that our high compliance status across our manufacturing plants will play a key role in this endeavour.

We have completely rewired your Company with Strides 2.0 that ensures a sharpened focus on productivity and outcomes. We are confident of our course correction strategies and expect all our businesses to bounce back in the next three to four quarters.

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

3. Corporate Updates

During the year, the Company completed several corporate actions including exiting non-core operations and markets to sharpen its focus on the B2C business and achieve leaner operations.

Corporate Actions undertaken during the year are provided herein below.

Acquisitions & JVs

1) Amneal Pharmaceuticals, Australia

Arrow Pharmaceuticals, a step-down subsidiary of the Company in Australia, acquired 100% stake in Amneal Pharmaceuticals, Australia. Amneal is engaged in the business of selling generic pharmaceutical products in Australia.

The acquisition has enabled improve Arrow's generics market share thereby expanding its first-

line pharmacies to 1200+ stores and provided significant synergy opportunities with 100+ molecules being common with Arrow Portfolio.

The transaction achieved closure in September 2017.

2) Controlling stake in Trinity Pharma, South Africa

Strides Pharma Asia, the Company's wholly owned subsidiary in Singapore, acquired controlling stake in Trinity Pharma ("Trinity"), a company incorporated in South Africa.

Trinity is engaged in the business of supply and distribution of generic pharmaceutical products to pharmaceutical retailers and providing services relating to regulatory and registration of products.

The transaction enabled Strides to establish a presence in the high entry market of South Africa where product dossier approval takes more than 5 years; enabling access to pipeline of more than 110 product dossiers and facilitating ARV launch in private non-tender market in South Africa.

The transaction achieved closure in January 2018.

3) JV between Amneal Pharmaceuticals and Douglas Pharmaceuticals, Australia

Amneal Pharmaceuticals, Australia, a step-down subsidiary of the Company, entered into a Joint Venture arrangement with Douglas Pharmaceuticals Australia Pty Limited, Australia.

Amneal holds approx. 50% stake in the JV Company viz., MyPak Solutions Australia Pty Ltd, Australia (formerly, MyPak Solutions Pty Ltd).

MyPak Solutions is expected to become the leading Dose Administration Aid (DAA) company in the Australian pharmaceutical and aged care industries. DAAs have been designed to assist consumers in the community to better manage their medicines and improve medication compliance.

MyPak will provide the Australian market with an end-to-end industry leading DAA solution and will enable the Company to provide the customers with a complete solution in the DAA market in Australia.

Divestments

4) India Brand Business

As part of the Company's portfolio re-prioritisation, the Company exited from the India Brand Business. India Brand Business comprising of a portfolio of 130+ brands in the domains of Neurology, Psychiatry, Nutraceuticals, Gastro etc., along with the employees forming part of the said business was sold to Eris Lifesciences Limited, India ("Eris") for a consideration of ₹410 Crore.

As part of the transaction, the Company also divested its stake in Strides Healthcare Private Limited, a subsidiary company which was catering to the Brands Business to Eris for a consideration of ₹90 Crore.

The Company retains global rights for the divested portfolio, which have significant sales in Africa and will continue to grow the Company's emerging market business.

The transaction achieved closure in December 2017.

5) Demerger of the Commodity Active Pharmaceutical Ingredients (API) Business

During the year under review, through a composite Scheme of Arrangement between the Company, SeQuent Scientific Limited ("SeQuent") and Solara Active Pharma Sciences Limited ("Solara") and their respective shareholders and creditors under section 230-232 of the Companies Act, 2013, the Company completed the demerger of its Commodity API Business to Solara. Pursuant to the aforesaid Scheme, the Human API business of SeQuent was also demerged to Solara.

Appointed Date and Effective Date for demerger was October 1, 2017 and March 31, 2018, respectively.

The Scheme received nod of the Equity Shareholders of the Company on December 27, 2017 and approval of the National Company Law Tribunal, Mumbai Bench vide its Order dated March 9, 2018.

Consequent to the above, Solara allotted shares to the Equity Shareholders of the Company as at the Record Date, April 9, 2018, as consideration under the Composite Scheme on April 11, 2018. As provided in the Composite Scheme, Solara was listed on the Stock Exchanges (NSE and BSE) on June 27, 2018.

Events Post Balance Sheet Date

6) Strides API Research Centre

On April 20, 2018, the Company entered into Business Purchase Agreement with Solara Active Pharma Sciences Limited, India (Solara) to sell the assets (consisting of Plant & machinery, equipment, computer software and other related capital work in progress) and business conducted by the Company at Strides API Research Centre (SRC) along with the employees for a consideration of ₹357.28 Million and working capital subject to adjustment and finalisation for ₹8.26 Million.

The Company has classified the assets of the SRC unit as 'Assets Held for Sale' as on March 31, 2018.

7) Proposed merger of Australian business of Strides and Apotex

The Company and Apotex have agreed in-principle to merge their respective Australian business operations. Currently, Strides is one of the leading

generic players in the Australian pharmaceutical market and runs its business under the Arrow brand. Apotex is the leading generic player in the Australian pharmaceutical market and runs its business under the Apotex brand.

The Combination shall enable Strides, through the merged business, to become the leading player in the Australian generic pharmaceutical market by both volume and revenue. The proposed transaction will be EPS accretive from Year 1 through merger synergies. The merged business will have the largest portfolio of owned product IP for the Australian market. Potential synergies will accrue through higher volumes and improved COGS.

Strides' and Apotex's business will be run independently under the brands Arrow and Apotex respectively and will continue to enjoy preferred partner relationship with their respective wholesalers. The merged business will continue to be supported by Strides' and Apotex's manufacturing facilities and will have approx. 3200 first line pharmacy accounts.

The proposed structure will be arrived through a share swap. The existing hospital business of Apotex will not form part of the merged entity and will be retained by Apotex.

The transaction is subject to entering into definitive agreements between the parties, satisfactory due diligence, customary closing conditions and statutory approvals, including approval of Australian Competition and Consumer Commission.

8) Proposed merger of Arrow Remedies and Fagris Medica into the Company

The Board of Directors of the Company at its meeting held on May 18, 2018 have approved the Scheme of Amalgamation for merger of Arrow Remedies Private Limited and Fagris Medica Private Limited (collectively known as Transferor Companies, which are wholly owned subsidiaries of the Company) into the Company (Transferee Company) in terms of Section 230 to 232 of the Companies Act, 2013.

The Scheme is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, the shareholders and creditors of each of the companies.

The appointed date for the said amalgamation is April 1, 2018 or such other date as may be agreed between the Transferor Companies and the Transfree Company and approved by the National Company Law Tribunal.

The Scheme of Amalgamation will enable the Company to consolidate and effectively manage the Transferor Companies and the Company in a single entity, eliminate duplication of operating and administrative expenses and simplify the group structure.

There will not be any change in the shareholding pattern of the Transferee Company pursuant to the Scheme of Amalgamation as both the Transferor Companies are wholly-owned subsidiaries of the Transferee Company.

9) Divestment of Strides Chemicals Private Limited

Pursuant to the approval of the Shareholders of the Company obtained by means of Postal Ballot, the Company proposes to divest its 100% stake in Strides Chemicals to Solara Active Pharma Sciences. The divestment is pursuant to evaluation conducted by the Management and as part of measure to improve and sharpen the focus on the formulations business and profitability of the Company.

As part of the arrangement, Solara has offered the Company long-term development and manufacturing arrangement and a 'Most Favoured Customer' status for all the DMF's required for the integrated formulations portfolio of the Company. The divestment will help Strides become leaner, while retaining supply chain security for the formulations portfolio.

The divestment process is expected to completed post receipt of shareholder's approval for the same by Solara.

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

Board of Directors of the Company

- Mr. Deepak Vaidya, Non-Executive Director, Chairperson of the Board.
- Mr. S Sridhar, Mr. Bharat Shah, Ms. Sangita Reddy and Mr. Homi Khusrokhan -Independent Directors of the Company.
- Mr. Arun Kumar, Group CEO and Managing Director
- Mr. Badree Komandur, Executive Director – Finance.

Key Managerial Personnel

- Mr. Arun Kumar, Group CEO and Managing Director
- Mr. Badree Komandur, Executive Director – Finance
- Ms. Manjula Ramamurthy, Company Secretary

Appointment, Re-designation of Director and Retirement by Rotation

1. Mr. Badree Komandur, Executive Director – Finance retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
2. Appointment of Mr. Arun Kumar as Executive Director of the Company for a period of 3 years.
3. Continuation of Mr. Homi Rustam Khusrokhan as Independent Director of the Company till the

completion of his current term i.e upto May 17, 2022.

Number of meetings of the Board

During the year under review, the Board met 6 times. Details of the same are provided in the Corporate Governance Report, which is part of this report.

5. Share Capital

The Authorised Share Capital of the Company as at the date of this report is ₹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 the date of this report is ₹895,489,130/- divided into 89,548,913 equity shares of ₹10/- each.

There has been an increase in the Paid-up Equity Share Capital of the Company on account of allotment of 125,907 equity shares consequent to exercise of stock options by employees.

6. Dividend

Your Directors are pleased to recommend a Dividend of ₹2/- (Rupees Two Only) per equity share of face value of ₹10/- each for the financial year ended March 31, 2018, subject to the approval of the shareholders at the ensuing Annual General Meeting, which is scheduled on September 24, 2018.

The Register of Members and Share Transfer Books will remain closed from September 15, 2018 to September 24, 2018 (both days inclusive) for the purpose of payment of final dividend for the financial year ended March 31, 2018 and the AGM.

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

In terms of Regulation 43(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has adopted a Dividend Distribution Policy. The said Policy is available on the Company's website and can be accessed at http://www.strides.com/investor-committeboard.html

7. Subsidiary, JVs and Associate Companies

As at March 31, 2018, the Company had 51 subsidiaries (46 overseas and 5 India), 3 Joint Ventures (2 overseas and 1 India), 4 Associate Companies (3 overseas and 1 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 ventures as required in Form AOC 1 is enclosed as Annexure 2 to this Report.

8. Corporate Governance and Management Discussion and Analysis

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditor's Certificate thereon, and the Management Discussion and Analysis 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. Particulars of Employees

The statement containing particulars in terms of Section 197 (12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report and is appended herewith as Annexure 4 to the Boards' report.

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

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

11. 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 report on CSR activities undertaken during the financial year 2017-18 is enclosed as Annexure 5 to this Report.

12. Loans, Guarantees or Investments

Details of Loans granted, Guarantees given and Investments made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note no. 40 to the standalone financial statements in the Annual Report.

13. 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. 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 Company's website at http://www.strides.com/investor-committeboard.html

Further, there are no materially significant related party transactions made by the Company which may have potential conflict with the interests of the Company.

14. Auditors and Audit Reports

Secretarial Audit Report

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

The Secretarial Audit for the financial year 2017-18, inter-alia, included audit of compliance with the Companies Act, 2013, and the Rules made under the Act, SEBI Listing Regulations and applicable Regulations prescribed by SEBI amongst others.

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

Statutory Auditors

During the period under review, M/s Deloitte Haskins & Sells completed their term of appointment and were replaced by M/s B S R & Co. LLP, Chartered Accountants (Firm Registration no. 101248W/ W-100022) as Statutory Auditors of the Company at the 26th AGM held on September 15, 2017.

BSR & Co. LLP, Chartered Accountants holds office for a period of 5 years i.e., till the conclusion of the 31st AGM of the Company to be held in FY 2021-22.

In accordance with Companies (Amendment) Act, 2017 appointment of Statutory Auditors is not required to be ratified at every AGM.

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, 2018.

Internal Auditors

M/s. Grant Thornton India LLP, Chartered Accountants are the Internal Auditors of the Company. The Internal Auditors carry out audit as per the audit plan defined by the Audit Committee and regularly updates the committee on their internal audit findings at the Committee's meeting.

The Internal Auditors were satisfied with the management response on the observation and recommendations made by them during the course of their audit and have expressed satisfaction with the internal systems, controls and process followed by the Company.

Cost Auditors

M/s. Rao, Murthy & Associates, Cost Accountants has carried out the Cost Audit for the applicable business for the year under review.

The Board of Directors of the Company have 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 2018-19.

15. Internal Financial Controls

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

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

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. Other Disclosures

Nature of Business of the Company

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

Deposits

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

Whistle Blower Policy

The Company has a Whistle Blower Policy. The Policy provides appropriate avenues to the directors, employees and stakeholders of the Company to make protected disclosures in relation to the matters concerning the Company. Protected Disclosures are appropriately dealt with by the Whistle Officer or the Chairperson of the Audit Committee.

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

Policy on Directors Appointment and Remuneration

The policy of the Company on Directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Section 178 of the Companies Act, 2013 is available on the

Company's website and can be accessed at http://www.strides.com/investor-committeboard.html

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.

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.

Extract of Annual Return
Extract of Annual Return in Form MGT 9 is enclosed as Annexure 7 to the Board's Report.

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.

18. Declaration by Independent Directors

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

19. Board Evaluation

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

20. 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.

21. 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 8, 2018
Place: Bengaluru

Deepak Vaidya
Chairperson of the Board

Annexure 1

Details of Subsidiaries

Part A - Entities incorporated in FY' 2018

Sl. No.	Name of the Entity	Incorporation Date
1	Strides Lifesciences Limited, Nigeria	April 10, 2017
2	Arrow Life Sciences (Malaysia) Sdn. Bhd, Malaysia	May 11, 2017
3	Strides Pharma Canada Inc, Canada	May 11, 2017

Part B - Entities that became part of Strides Group in FY' 2018

Sl. No.	Name of the Entity	Effective Date
1	Vivimed Life Sciences Private Limited, India	May 18, 2017
2	Strides Vivimed Pte Ltd, Singapore (formerly, Vivimed Global Generics Pte Ltd)	May 18, 2017
3	Amneal Pharma Australia Pty Ltd, Australia	August 31, 2017
4	Amneal Pharmaceuticals Pty Ltd, Australia	August 31, 2017
5	Trinity Pharma Proprietary Limited, South Africa	January 1, 2018
6	Apollo Life Sciences Holdings Proprietary Limited, South Africa	January 1, 2018
7	MyPak Solutions Australia Pty Ltd, Australia (formerly, MyPak Solutions Pty Ltd, Australia)	March 29, 2018

Part C - Entities divested during the FY' 2018

Sl. No.	Name of the Entity	Effective Date
1	Strides Healthcare Private Limited, India	December 1, 2017
2	Divestment pursuant to Scheme of Demerger	Appointed Date: October 1, 2017
	a. Solara Active Pharma Sciences Limited, India	Effective Date: March 31, 2018
	b. Chemsynth Laboratories Private Limited, India	
	c. Shasun USA Inc, USA	

Part D – Entities wound up/ merged during FY' 2018

Sl. No.	Name of the Entity		Effective Date
1	Akorn Strides LLC, USA	Wound up	August 4, 2017
2	Shasun NBI LLC, USA	Wound up	October 25, 2017
3	Strides Africa Limited, BVI	Wound up	March 7, 2018
4	Strides Pharma Limited, Cyprus	Merged with Strides Pharma International Limited, Cyprus	December 12, 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 containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures)

Part A - Subsidiaries

					(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Sl. No.	Name of the Subsidiary	Country of incorporation	Reporting Currency	Exchange Rate	Capital (Includes Monies pending allotment)	Reserves	Total Assets	Total liabilities (other than Capital & reserves)	Investments other than in subsidiaries	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	Share-holding (%)
1	Alliance Pharmacy Pty Limited	Australia	AUD	49.92	-	-	-	-	-	-	-	-	-	-	100%
2	Altima Innvovations Inc.	USA	USD	65.16	-	(172.58)	11.82	184.40	-	5.24	(16.62)	-	(16.62)	-	100%
3	Amneal Pharma Australia Pty Ltd	Australia	AUD	49.92	-	-	-	-	-	-	-	-	-	-	100%
4	Amneal Pharmaceuticals Pty Ltd	Australia	AUD	49.92	3,982.81	(3,160.05)	1,005.78	183.02	36.17	1,184.08	344.86	36.62	308.24	-	100%
5	Apollo Life sciences Holding Proprietary Limited	South Africa	ZAR	5.54	-	(0.91)	25.16	26.07	-	46.19	(0.09)	-	(0.09)	-	100%
6	Arrow Life Sciences (Malaysia) Sdn. BHD	Malaysia	MYR	16.83	0.93	(0.23)	0.72	0.02	-	-	(0.22)	-	(0.22)	-	100%
7	Arrow Pharma (Private) Limited	Sri Lanka	LKR	0.42	21.04	(17.85)	3.30	0.11	-	2.04	8.89	-	8.89	-	100%
8	Arrow Pharma Life Inc.	Philippines	PHP	1.24	11.94	(8.04)	4.06	0.16	-	0.59	(1.07)	-	(1.07)	-	100%
9	Arrow Pharma Pte Limited	Singapore	USD	65.16	55.03	(122.62)	(63.07)	4.52	-	9.11	(61.47)	-	(61.47)	-	100%
10	Arrow Pharma Pty Limited	Australia	AUD	49.92	-	-	-	-	-	-	-	-	-	-	100%
11	Arrow Pharmaceuticals Pty Limited	Australia	AUD	49.92	5,881.77	80.03	8,495.74	2,533.94	0.54	6,009.09	333.65	81.53	252.12	-	100%
12	Arrow Remedies Private Limited	India	INR	1.00	0.10	(0.44)	(0.10)	0.24	-	1.15	0.55	0.17	0.38	-	100%
13	Beltapharm SpA	Italy	EUR	80.20	116.77	44.46	441.15	279.92	-	264.15	(95.24)	2.33	(97.57)	-	97.94%
14	Chemsynth Laboratories Private Limited*	India	INR	1.00	-	-	-	-	-	-	(0.04)	-	(0.04)	-	0.00%
15	Fagris Medica Private Limited	India	INR	1.00	10.40	(9.39)	8.99	7.98	-	12.82	0.06	-	0.06	-	100%
16	Generic Partners Holding Co. Pty Limited	Australia	AUD	49.92	741.14	7.72	753.85	4.99	-	-	(1.81)	-	(1.81)	-	51%
17	Generic Partners Pty Limited	Australia	AUD	49.92	741.22	(362.04)	1,060.06	680.88	-	1,453.31	(83.75)	(78.24)	(5.51)	-	100%
18	Generic Partners (Canada) Inc	Canada	CAD	50.42	0.01	31.30	134.10	102.79	-	85.98	82.55	6.30	76.25	-	100%
19	Generic Partners (International) Pte Limited	Singapore	SGD	49.67	7.27	(0.01)	15.42	8.16	-	-	(0.57)	-	(0.57)	-	51%
20	Generic Partners (M) SDN BHD	Malaysia	MYR	16.83	-	(0.02)	0.46	0.48	-	-	(0.38)	-	(0.38)	-	100%
21	Generic Partners (NZ) Limited	New Zealand	NZD	47.05	-	(2.32)	-	2.32	-	-	(0.36)	-	(0.36)	-	100%
22	Generic Partners (SA) Pty Limited	South Africa	ZAR	5.54	-	(0.02)	-	0.02	-	-	-	-	-	-	100%
23	Generic Partners UK Limited	UK	GBP	91.73	0.01	57.13	79.11	21.97	-	354.05	36.12	5.29	30.83	-	100%
24	Pharmacy Alliance Group Holdings Pty Limited	Australia	AUD	49.92	1,358.21	(1,358.22)	29.27	29.28	-	19.97	19.96	-	19.96	19.97	51%
25	Pharmacy Alliance Investments Pty Limited	Australia	AUD	49.92	704.77	29.28	734.05	-	-	10.18	10.18	-	10.18	-	100%
26	Pharmacy Alliance Pty Limited	Australia	AUD	49.92	74.18	171.48	572.17	326.51	-	817.79	140.51	45.04	95.47	19.97	100%
27	Shasun Foundation Trust	India	INR	1.00	-	-	-	-	-	-	(0.03)	-	(0.03)	-	0.00%
28	Shasun Pharma Solutions Inc.	USA	USD	65.16	35.67	(36.06)	-	0.39	-	-	(0.13)	0.07	(0.20)	-	100%
29	Shasun USA Inc.*	USA	USD	65.16	-	-	-	-	-	(1.44)	201.75	-	201.75	-	0.00%
30	Smarterpharm Pty Limited	Australia	AUD	49.92	0.07	29.51	42.12	12.54	-	36.73	28.81	7.32	21.49	-	100%
31	Solara Active Pharma Sciences Limited*	India	INR	1.00	-	-	-	-	-	-	(3.80)	-	(3.80)	-	0.00%
32	Stabilis Pharma Inc.	USA	USD	65.16	0.06	0.04	0.33	0.23	-	-	(0.14)	0.08	(0.22)	-	100%

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 (%)
33	Stelis Biopharma (Malaysia) SDN. BHD.	Malaysia	MYR	16.83	140.03	(58.61)	81.63	0.21	-	-	(13.95)	-	(13.95)	-	100%
34	Strides Africa Limited**	British Virgin Islands	USD	65.16	-	-	-	-	-	-	(0.13)	-	(0.13)	-	0.00%
35	Strides Arcolab (Australia) Pty Limited	Australia	AUD	49.92	5,973.88	(111.68)	9,130.19	3,267.99	-	(3.02)	(127.33)	-	(127.33)	-	99.99%
36	Strides Arcolab International Limited	UK	USD	65.16	4,004.50	355.37	4,369.33	9.46	92.15	0.22	(148.21)	-	(148.21)	-	100%
37	Strides Chemicals Private Limited	India	INR	1.00	797.00	498.01	1,495.23	200.22	-	353.11	(165.87)	-	(165.87)	-	100%
38	Strides CIS Limited	Cyprus	USD	65.16	0.20	12.72	72.81	59.89	-	114.36	4.97	-	4.97	-	100%
39	Strides Consumer Private Limited	India	INR	1.00	0.10	(168.60)	(11.38)	157.12	-	11.89	(168.60)	-	(168.60)	-	100%
40	Strides Emerging Markets Limited (formerly, Strides Emerging Markets Private Limited)	India	INR	1.00	56.27	(143.41)	175.86	263.00	-	72.19	(124.17)	-	(124.17)	-	100%
41	Strides Foundation Trust	India	INR	1.00	-	32.50	35.96	3.46	-	0.78	9.20	-	9.20	-	100%
42	Strides Healthcare Private Limited	India	INR	1.00	-	-	-	-	-	6.20	(26.02)	(7.96)	(18.06)	-	0.00%
43	Strides Life Sciences Limited	Nigeria	NGN	0.18	0.53	(37.70)	211.95	249.12	-	70.86	(39.76)	-	(39.76)	-	100%
44	Strides Pharma (Cyprus) Limited	Cyprus	USD	65.16	912.43	1,029.27	2,586.63	644.93	-	1,278.70	(1,211.31)	4.97	(1,216.28)	-	100%
45	Strides Pharma (SA) Pty Limited	South Africa	ZAR	5.54	-	(9.55)	37.29	46.84	-	-	(5.14)	-	(5.14)	-	100%
46	Strides Pharma Global (UK) Limited (formerly Strides Pharma (UK) Limited)	UK	GBP	91.73	3,977.13	(2,062.26)	2,273.95	359.08	101.41	(0.11)	0.73	-	0.73	-	100%
47	Strides Pharma Asia Pte Limited	Singapore	USD	65.16	10,447.08	(37.60)	10,496.46	86.98	-	185.37	(635.28)	1.62	(636.90)	-	100%
48	Strides Pharma Canada Inc	Canada	CAD	50.42	0.05	(1.11)	0.05	1.11	-	-	(1.11)	-	(1.11)	-	70%
49	Strides Pharma Global Pte Limited	Singapore	USD	65.16	11,013.17	2,631.76	31,307.60	17,662.67	-	6,187.72	1,020.32	86.52	933.80	-	100%
50	Strides Pharma Inc.	USA	USD	65.16	8.45	1,433.66	4,949.38	3,507.27	-	2,675.48	(758.63)	0.12	(758.75)	-	100%
51	Strides Pharma International Limited	Cyprus	USD	65.16	28.54	1,218.62	1,553.64	306.48	-	204.37	146.00	3.25	142.75	493.74	100%
52	Strides Pharma Limited***	Cyprus	USD	65.16	-	-	-	-	-	49.49	3.61	13.04	(9.43)	202.00	-
53	Strides Pharma UK Limited (formerly Strides Shasun (UK) Limited)	UK	GBP	91.73	-	-	390.83	79.30	-	-	-	-	-	-	100%
54	Strides Shasun Latina, SA de CV	Mexico	MXN	3.54	13.00	(4.42)	18.39	9.81	-	(0.26)	(4.35)	-	(4.35)	-	80%
55	Strides Specialties (Holdings) Limited	Mauritius	USD	65.16	-	-	-	-	-	1.63	1.51	-	1.51	-	100%
56	Strides Vivimed Pte Ltd (formerly Vivimed Global Generics Pte Limited)	Singapore	USD	65.16	185.54	(15.16)	170.22	(0.16)	-	0.01	(15.00)	-	(15.00)	-	50%
57	SVADS Holdings SA	Switzerland	CHF	68.11	466.59	232.79	788.51	89.13	-	32.57	(245.37)	-	(245.37)	-	100%
58	Trinity Pharma Proprietary Limited	South Africa	ZAR	5.54	0.01	32.65	546.31	513.65	-	198.69	7.91	2.84	5.07	-	51.76%
59	Universal Corporation Limited	Kenya	KES	0.64	117.47	883.59	2,281.02	1,279.96	-	1,382.56	64.44	67.38	(2.94)	-	51%

*Ceased to be part of the Group pursuant to Composite Scheme of Demerger, effective date of the demerger being March 31, 2018

**Wound up effective March 7, 2018

***Strides Pharma Limited, Cyprus merged with Strides Pharma International Limited effective December 12, 2017

Part B - Associates/ Joint Venture

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

Sl. No.	Name of Associate / Joint Venture	Stelis Biopharma Private Limited, India	Regional Bio Equivalence Centre S.C., Ethiopia	Aponia Laboratories Inc, USA	Akorn Strides LLC, USA	Shasun NBI LLC, USA	Oraderm Pharmaceuticals Pty Limited, Australia	Vivimed life Sciences Private Limited, India	Mypak Solutions Australia Pty Limited, Australia	Generic Partners (R&D) Pte. Ltd, Singapore
1	Latest audited Balance Sheet Date	March 31, 2018	December 31, 2017	March 31, 2018	Akorn Strides LLC does not have an independent audit performed in its financials, they are incorporated in the audit conducted on Akorn Inc., USA	March 31, 2017	Not Applicable	March 31, 2018	Newly incorporated entity	Not Applicable
2	Shares of Associate/ Joint Venture held by the Company on the year end									
	No.	251,527 shares	342 shares	3,734,074 shares	-	-	50 shares	14,133,440 shares	51 shares	19 shares
	Amount of Investment in Associate/ Joint Venture	₹1905.36 Million	Nil	₹92.15 Million	Nil	Nil	₹0.54 Million	₹629.38 Million	₹36.17 Million	Nil
	Extent of Holding %	53.47%	24.98%	24.00%	50%	50.00%	50.00%	50.00%	50.495%	19.00%
3	Description of how there is significant influence	53.47% and board representation	24.98%	24% and board representation	50%	50%	50% and board representation	50% and board representation	50.495% and board representation	19% and board representation
4	Reason why the Associate/ Joint Venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	The JV has been wound up during the year.	The JV has been wound up during the year.	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5	Networth attributable to Shareholding as per latest auditied Balance Sheet	₹1120.19 Million		₹28.31 Million	Nil	Nil	₹.50 Million	₹635.91 Million		
6	Profit/ (Loss) for the year									
	Considered in Consolidation	(₹144.06) Million	(₹3.14) Million	₹8.59 Million	Nil	Nil	Nil	(₹29.38) Million	Nil	Nil
	Not considered in Consolidation	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Date: August 8, 2018
Place: Bengaluru

Arun Kumar
Group CEO & Managing Director

Badree Komandur
Executive Director – Finance

Manjula Ramamurthy
Company Secretary

Annexure 3

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

As at March 31, 2018, the Company had 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, 2018.

Sl. No.	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 erstwhile 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 FY 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, 2017	1,70,000	23,097	1,00,000
D	Options granted during the year under review	NIL	NIL	2,00,000

Sl. No.	Description	Strides Arcolab ESOP 2011	Strides Arcolab ESOP 2015	Strides Shasun ESOP 2016
E	Options vested during the year under review	170,000	16,157	20,000
F	Options exercised during the year under review	50,000	7,029	20,000
G	Total number of shares arising as a result of exercise of options	50,000	7,029	20,000
H	Options lapsed / surrendered during the year under review	80,000	5,376	-
I	Variation of terms of options	-	-	-
J	Money realised by exercise of options	1,61,15,000	19,25,384	1,68,25,000
K	Total number of options in force at the end of the period ending March 31, 2018	40,000	10,692	2,80,000
L	Available for further grant	NIL – Refer Note 1	NIL – Refer Note 2 & 3	27,00,000
M	Employee-wise details of options granted during the year under review			
	(i) Key Management Personnel	NONE	NONE	1,00,000 options
	(i) Any other employee who received grant in any one year of option amounts to 5% or more of options during the year	NONE	NONE	1,00,000 options
	(i) 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
N	Diluted Earnings Per Share (DEPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (IND AS) - 33 – Earnings Per Share	Continuing Operations		17.48
		Discontinued Operations		82.13
		Total Operations		**99.61**
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	₹322.30	₹273.92	₹841.25

Sl. No.	Description	Strides Arcolab ESOP 2011		Strides Arcolab ESOP 2015	Strides Shasun ESOP 2016		
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 1	LOT 2	LOT 3
	Grant date :	February 7, 2014	February 2, 2015	May 16, 2016 and October 28, 2016	June 15, 2016	May 18, 2017	August 14, 2017
	Exercise Price :	₹322.30	₹792.60	₹273.92	₹841.25	₹792.45	₹656.10
	Risk free interest rate	8.75%	7.65%	7.59%	7.52%	6.73%	6.52%
	Expected life	3 years	3 years	4 years	3 years	3 years	3 years
	Expected annual volatility of shares	38.64%	48.44%	70.30%	69.47%	42.86%	38.96%
	Expected dividend/ yield	20%	20%	40%	40%	40%	40%
	The price of the underlying share in market at the time of option grant	379.15	932.45	1305.43	1128.94	1037.51	896.72

Note 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 that 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.

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

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

Note 3:
Pursuant to Demerger of Commodity API business of the Company to Solara Active Pharma Sciences Limited, the Company accelerated vesting of 9,128 stock options under the Strides Arcolab ESOP 2015 Scheme held by identified employees who were transferred to Solara. Out of the accelerated options, 8,878 options were exercised by the employees.

For and on behalf of the Board of Directors

Date: August 8, 2018
Place: Bengaluru

Deepak Vaidya
Chairperson of the Board

Annexure 4

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, 2018	As at March 31, 2018, the Board comprised of 8 Directors - comprising of 2 Executive Directors, 4 Independent Directors and 2 Non-Executive Directors. The Non-Executive & Independent Directors receive sitting fees of ₹100,000/- for attending each meeting of the Board and Audit Committee (effective August 11, 2017. Prior to August 11, 2017, the siting fees paid was ₹50,000/-). They do not receive any other form of remuneration. The ratio of remuneration of the Executive Directors of the Company to the median remuneration of the employees of the Company for the financial year ended March 31, 2018 are as below: 1) Mr. Arun Kumar, Non-Executive Director[1] - 28 2) Mr. Abhaya Kumar Shankarlal, Executive Director[2] - 24 3) Mr. Shashank Sinha, Managing Director[3] - 131 4) Mr. Badree Komandur, Executive Director - Finance[4] - 56 The median remuneration for the period under review is ₹496,500/- per annum (without considering the Sitting Fees paid to Non-Executive & Independent Directors of the Company).

b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year ending March 31, 2018:

#	Particulars	% Increase
1)	Mr. Arun Kumar Non-Executive Director[1]	0%
2)	Mr. Abhaya Kumar Shankarlal Executive Director[2]	0%
3)	Mr. Shashank Sinha Managing Director[3]	10%
4)	Mr. Badree Komandur[4] Executive Director - Finance	9%
5)	Ms. Manjula Ramamurthy Company Secretary	68%

c.	The percentage increase in the median remuneration of employees in the financial year ending March 31, 2018	13%
d.	The number of permanent employees on the rolls of Company as at March 31, 2018	2,507 Employees
e.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average annual increase across the organisation was around 13%.

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

[1]Re-designated as Non-Executive Director effective May 18, 2017.
[2]Resigned as Executive Director effective May 18, 2017.
[3]Appointed as Managing Director effective May 18, 2017
[4]Appointed as Executive Director - Finance effective May 18, 2017

For and on behalf of the Board of Directors

Date: August 8, 2018
Place: Bengaluru

Deepak Vaidya
Chairperson of the Board

Annexure 5

Corporate Social Responsibility Report

1. Introduction

Strides, 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
- 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 programmes with focus on:

1. Health & Hygiene
2. Education
3. Employability

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

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

Sl. No.	Name of the Director	Category
1	Ms. Sangita Reddy	Chairperson
2	Mr. Homi Rustam Khusrokhan	Member
3	Mr. Arun Kumar	Member
4	Mr. Deepak Vaidya	Member
5	Mr. Badree Komandur	Member

3. Average Net Profit of the Company for the last three financial years is: ₹1,157.49 Million

4. The prescribed CSR Expenditure, which is two per cent of the amount mentioned in 3 above, is ₹23.15 Million for FY 2017-18

5. Details of CSR spend during the FY 2017-18

The Total CSR expenditure for FY 2017-18 stood at ₹24.12 Million

#	Particulars	Amount (₹ in Million)
1	Prescribed CSR spend for the FY 2017-18	23.15
2	Total spend during the year under review	24.12*
3	**Amount unspent, if any**	-

*Includes CSR spend by the API division until the effective date of demerger i.e. March 31, 2018

6. Manner in which the amount was spent during FY 2017-18:

1	2	3	4		5	6		7	8
Sl. No.	CSR project or activity Identified	Sector in which the project is covered	Projects or programmes (1) Local Area or other (2) Specify the State and district where projects of programmes was undertaken	Activities in the year under review	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes Sub heads		Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
						(1) Direct expenditure on projects	(2) Overheads		All projects implemented through Strides Foundation, Implementation Agency
Health									
1	Arogyadhama	Health	Local Area - Honnakalasapura, Suragajakkanahalli Panchayat, Anekal taluk, Bangalore Dist, Karnataka State	Upgradation & Maintenance (concurrent)	₹60,00,000	₹60,00,000	-	-	Strides Foundation
2	RO Drinking Water setup	Health & Hygiene	Local Area - A Medahalli and Siddanapalya, Suragajakkanahalli Panchayat, Anekal taluk, Bangalore Dist, Karnataka State	New Project Current status - operational	₹23,61,000	₹17,90,000	-	-	Strides Foundation
3	Shed for a RO Drinking Water setup	Health & Hygiene	Local Area - Alibommasandra Panchayat, Chandapura, Bangalore Dist, Karnataka State	New Project Current status - operational	₹2,50,000	₹2,60,000	-	-	Strides Foundation
4	RO Drinking Water setup	Health & Hygiene	Local Area - Selliamman Nagar, Puducherry	New Project Current status - operational	₹9,00,000	₹7,50,000	-	-	Direct by the company
5	Dispensary in Puducherry	Health & Hygiene	Local Area - Puducherry	Maintenance (concurrent)	₹24,00,000	₹19,18,546	-	-	Direct by the company
6	Dispensary in Cuddalore	Health & Hygiene	Local Area - Cuddalore	Maintenance (concurrent)	₹12,00,000	₹12,00,000	-	-	Direct by the company
7	Maintenance of RO Drinking Water plants	Health & Hygiene	Local Area - 2 schools and 3 units at Kalapet, Tsunami nagar and Pillaichavadi, Puducherry	Maintenance (concurrent)	₹12,00,000	₹55,235	-	-	Direct by the company
8	Awareness programmes & Health Camps	Health & Hygiene	Local Area - Puducherry	concurrent	-	₹5,78,730	-	-	Direct by the company
9	Water supply to village - Cuddalore	Health & Hygiene	Local Area - Cuddalore	concurrent	-	₹12,45,033	-	-	Direct by the company

1	2	3	4		5	6		7	8
Sl. No.	CSR project or activity Identified	Sector in which the project is covered	Projects or programmes (1) Local Area or other (2) Specify the State and district where projects of programmes was undertaken	Activities in the year under review	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes Sub heads		Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
						(1) Direct expenditure on projects	(2) Overheads		All projects implemented through Strides Foundation, Implementation Agency
	Total (A)				₹1,43,11,000	₹1,37,97,544			
Education									
1	Leaps programme	Education	Local Area - Haragadde Government School and Gottigere Government School, Bangalore Dist, Karnataka State	concurrent	₹5,94,000	₹5,94,000	-	-	Strides Foundation
2	Model School	Education	Local Area - Haragadde Government School, Bangalore Dist, Karnataka State	concurrent	₹37,45,000	₹37,45,000	-	-	Strides Foundation
3	Sponsorship / support - Extl	Education	CSIM - Training - Bangalore - Karnataka	concurrent	₹10,00,000	₹10,00,000	-	-	Strides Foundation
4	Best student award	Education	Local Area - Puducherry	Motivational (concurrent)	₹2,00,000	₹1,67,001	-	-	Direct by the company
5	Law college & University Support	Education	Local Area - Puducherry	Motivational (concurrent)	₹2,00,000	₹41,517	-	-	Direct by the company
6	Sponsorship for Local Rural Sports	Education	Local Area - Puducherry & Cuddalore	Motivational (concurrent)	₹2,80,000	₹3,78,431	-	-	Direct by the company
7	Life skills training and counselling	Education	Local Area - Puducherry	concurrent	₹1,00,000	₹4,20,392	-	-	Direct by the company
8	Examination Coaching for 10th and 12th standard	Education	Local Area - Puducherry	concurrent	₹2,40,000	₹16,000			Direct by the company
9	Student counselling Programme - CPC	Education	Local Area - Puducherry	Motivational (concurrent)	₹3,80,000	₹1,07,500			Direct by the company
10	TISS - Bvoc	Education	Local Area - Puducherry	concurrent	-	₹14,97,467			Direct by the company
	Total (B)				₹67,39,000	₹79,67,308			
Employability & livelihood									
1	Employability development programme with SVRCC - CPC	Employability	Local Area - Puducherry	concurrent	₹13,00,000	₹12,99,500			Direct by the company
2	Fishnet repairs -Livelihood	Livelihood	Local Area - Puducherry	concurrent	-	₹49,500			Direct by the company
	Total (C)				₹13,00,000	₹13,49,000			
Others									
1	Green Initiative - Sapling plantation - project completion - September, 2017	Others	Local Area - Bangalore, Karnataka State		₹6,00,000	₹6,00,000	-	-	Strides Foundation
2	Community development	Others	Local Area - Puducherry		₹2,00,000	₹4,02,975	-	-	Direct by the company
	Total (D)				₹8,00,000	₹10,02,975			
	GRAND TOTAL (A+B+C+D)				₹2,31,50,000	₹2,41,16,827*	-	-	

* Includes CSR spend by the API division until the effective date of demerger i.e March 31, 2018

7. Brief on the projects taken up

A. Health

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

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.

3 years of service, Arogyadhama, in Honnakalasapura, Suragajakkanahalli, Bengaluru, has won a lot of appreciation and positive feedback from the surrounding villages, the Panchayat and also from the Government PHCs & Doctors.

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 9000 patients.

Under the preventive health care, over 1678 Students from surrounding 33 Government Schools from Suragajakkanahalli, Haragadde and Indlawadi Panchayats, were covered under School Health camps. 15 Anganwadis with over 300 children are covered under promotive health care.

Over 100 children were administered Polio drops and 170 children were vaccinated for MMR (Measles and Rubella) in coordination with the Government. Health care was promoted with focus on General health, diabetic, Hypertensive, Oral health and ANC care via Outreach Programmes 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 650 patients at each dispensary every month, Strides Dispensaries at Puducherry and Cuddalore cater to a population of 8,500 families.

An eye Camp was conducted at Periya Kalapet Puducherry. 390 patients were tested for cataract and other eye defects. 220 Patients were issued with spectacles and 15 Patients were registered for surgery and the further eye care.

3. RO Water plants

Self-sustainable RO water units at Suragajakkanahalli and Sidihoskote in Bengaluru is functioning well. New units installed at Medahally and Siddanapalya to cater to 4500 population. A shed for new facility was built at Alibommasandra, Bengaluru.

RO Water unit at Selliamman Nagar, in Puducherry was installed to ensure supply of safe drinking water. We have also taken up the maintenance and upkeep of the RO water units in 5 different location of Puducherry and 2 schools in Kalapet.

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

4. Health Camps

Preventive – General Medical Camps were conducted in 16 villages from Suragajakkanahalli and Indlawadi Panchayat covering 5800 people

Specialty health camps

- Women health care – covered 750 population at Gowrenahalli and treated 155 women
- Diabetics and Hypertensive health camps at 4 villages of Suragajakkanahalli covering 360 population and 92 treated
- Gynaecology and related health camp – 428 benefitted

B. Education:

1. LeAPS :

Leadership Adoption Programme at Schools (LeAPS) helps children to be future ready. The programme aims to provide life skills training to children of Government schools.

LeAPS programme 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 fun experience

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

Under LeAPS programme, 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. Children are also exposed to the external world through the experiential trips to metro rail ride, planetarium, wildlife at national park etc. This year over 260 students participated.

In the year 2017– 18, about 250 students have benefitted from LeAPS programme.

2. Infrastructure Improvement

With our focus on Education, infrastructural improvement was facilitated by upgrading the Government primary school in Lakshmipura, Indlawadi Panchayat, by constructing 2 classrooms and a stage

3. Student Counselling Programme:

Student counselling programme has been initiated at Chevalier sellan boys higher secondary school, Kalapet with the objective

- To ensure the students to realise their potential for healthy growth
- To focus on their academic, career and personal/social development.

4. Cultural & Talent development in schools and colleges:

Strides has supported schools and colleges for cultural and talent development activities. The prizes are sponsored for variety of activities and event 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 & Teachers Award

Examination coaching was given to the students of 10th and 12th standards of Government Girls and Boys High School, Puducherry. Over 300 students were benefitted out of this coaching classes.

Best teacher awards were given to 50 teachers at Puducherry Government Boys high school. 6 students who were the toppers of the school were also awarded.

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:

Employment Empowerment Programme initiated last year in partnership with Swami Vivekananda Rural Community College (SVRCC), to make our youth of the neighbouring villages at Puducherry employable is functioning well

100 students were trained in several job-led courses as part of this programme. The first batch of students have completed the training and 97 students have been well placed. The second batch of students have completed the course and are ready to be employed. The third batch of students are being enrolled for the programme.

D. Employee Volunteering

1. Green Initiative Drive – Sapling Plantation:

To build awareness in preserving the environment and to nurture & preserve the social forestry, Sapling plantation under - Green Initiative drive was held on August 5, 2017. 270 saplings were planted, from Indlawadi cross to Indlawadi village in Bengaluru, which is about 5 KM. 230 employees along with 40 other volunteers joined hands in our Green Initiative Drive.

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 8, 2018
Place: Bengaluru

Sangita Reddy
Chairperson of the CSR Committee

Deepak Vaidya
Chairperson of the Board

Annexure 6

Form No. MR-3

Secretarial Audit Report
for the financial year ended on March 31, 2018

[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
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 our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We, further report that:

1) As at March 31, 2018, 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 Standard 1 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that during the audit period:

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

2) the Company has not undertaken any major decisions taken by the members in pursuance of section 180 of the Companies Act, 2013.

3) the Company has demerged its Commodity API business of the Company to Solara Active Pharma Sciences Limited in line with Composite Scheme of Arrangement between the Company, SeQuent Scientific Limited and Solara Active Pharma Sciences Limited and their respective shareholders and creditors pursuant to the provisions of Sections 230 to 232 of the Act. Appointed date and effective date of the demerger was October 1, 2017 and March 31, 2018 respectively.

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

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

Place: Bengaluru
Date: 14/05/2018

Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152

Annexure 7

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
for the financial year ended on March 31, 2018

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

I. Registration and other details:

CIN	L24230MH1990PLC057062
Registration date	June 28, 1990
Name of the company	Strides Pharma Science Limited (formerly Strides Shasun Limited)
Category/ Sub-Category of the company	Company Limited by shares / Non-Govt.Company
Address of the Registered office and contact details	201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400703 Telephone : 022 27893199/ 27892968; Fax: 022 27892942 Email: investors@strides.com Website: www.strides.com
Whether listed company	Yes
Name, address and contact details of Registrar and transfer Agent, if any	Karvy 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	100%	2(87)
2	Altima Innovations Inc, USA	NA	Subsidiary	100%	2(87)
3	Amneal Pharma Australia Pty Ltd, Australia	NA	Subsidiary	100%	2(87)
4	Amneal Pharmaceuticals Pty Ltd, Australia	NA	Subsidiary	100%	2(87)
5	Apollo Life Sciences Holdings Proprietary Limited, South Africa	NA	Subsidiary	100%	2(87)
6	Arrow Life Sciences (Malaysia) Sdn. Bhd, Malaysia	NA	Subsidiary	100%	2(87)
7	Arrow Pharma (Private) Limited, Sri Lanka	NA	Subsidiary	100%	2(87)
8	Arrow Pharma Life Inc, Philippines	NA	Subsidiary	100%	2(87)
9	Arrow Pharma Pte Ltd, Singapore	NA	Subsidiary	100%	2(87)
10	Arrow Pharma Pty Ltd, Australia	NA	Subsidiary	100%	2(87)
11	Arrow Pharmaceuticals Pty Ltd, Australia	NA	Subsidiary	100%	2(87)
12	Arrow Remedies Private Limited, India	U33111MH2015FTC268380	Subsidiary	100%	2(87)
13	Beltapharm, S.P.A, Italy	NA	Subsidiary	97.94%	2(87)
14	Fagris Medica Private Limited, India	U24230MH2008PTC271062	Subsidiary	100%	2(87)
15	Generic Partners (Canada) Inc, Canada	NA	Subsidiary	100%	2(87)

III. Particulars of Holding, Subsidiary and Associate Companies

S. No	Name of the Company	CIN	Holding/ Subsidiary /Associate/ JV	% of shares held	Applicable section
16	Generic Partners (International) Pte Ltd, Singapore	NA	Subsidiary	100%	2(87)
17	Generic Partners (M) Sdn Bhd, Malaysia	NA	Subsidiary	100%	2(87)
18	Generic Partners (NZ) Ltd, New Zealand	NA	Subsidiary	100%	2(87)
19	Generic Partners (South Africa) (Pty) Ltd, South Africa	NA	Subsidiary	100%	2(87)
20	Generic Partners Holding Co Pty Ltd, Australia	NA	Subsidiary	51%	2(87)
21	Generic Partners Pty Ltd, Australia	NA	Subsidiary	100%	2(87)
22	Generic Partners UK Limited, UK	NA	Subsidiary	100%	2(87)
23	Pharmacy Alliance Group Holdings Pty Ltd, Australia	NA	Subsidiary	51%	2(87)
24	Pharmacy Alliance Investments Pty Ltd, Australia	NA	Subsidiary	100%	2(87)
25	Pharmacy Alliance Pty Ltd, Australia	NA	Subsidiary	100%	2(87)
26	Shasun Pharma Solutions Inc, USA	NA	Subsidiary	100%	2(87)
27	Smarterpharm Pty Ltd, Australia	NA	Subsidiary	100%	2(87)
28	Stabilis Pharma Inc, USA	NA	Subsidiary	100%	2(87)
29	Stelis Biopharma (Malaysia) Sdn Bhd, Malaysia	NA	Subsidiary	100%	2(87)
30	Strides Arcolab (Australia) Pty Ltd, Australia	NA	Subsidiary	99.9999%	2(87)
31	Strides Arcolab International Limited, UK	NA	Subsidiary	100%	2(87)
32	Strides Chemicals Private Limited, India	U24290MH2003PTC138910	Subsidiary	100%	2(87)
33	Strides CIS Ltd, Cyprus	NA	Subsidiary	100%	2(87)
34	Strides Consumer Private Limited, India	U24100MH2017PTC292022	Subsidiary	100%	2(87)
35	Strides Emerging Markets Limited, India (formerly Strides Emerging Markets Private Limited, India)	U24132KA2012PLC064214	Subsidiary	100%	2(87)
36	Strides Lifesciences Limited, Nigeria	NA	Subsidiary	100%	2(87)
37	Strides Pharma (Cyprus) Ltd, Cyprus	NA	Subsidiary	100%	2(87)
38	Strides Pharma (SA) Pty Ltd, South Africa	NA	Subsidiary	100%	2(87)
39	Strides Pharma Asia Pte. Ltd, Singapore	NA	Subsidiary	100%	2(87)
40	Strides Pharma Canada Inc, Canada	NA	Subsidiary	70%	2(87)
41	Strides Pharma Global (UK) Ltd, UK (formerly, Strides Pharma (UK) Ltd)	NA	Subsidiary	100%	2(87)
42	Strides Pharma Global Pte Limited, Singapore	NA	Subsidiary	100%	2(87)
43	Strides Pharma Inc, USA	NA	Subsidiary	100%	2(87)
44	Strides Pharma International Limited, Cyprus	NA	Subsidiary	100%	2(87)
45	Strides Pharma UK Ltd, UK (formerly, Strides Shasun (UK) Ltd)	NA	Subsidiary	100%	2(87)
46	Strides Shasun Latina Sa De CV, Mexico	NA	Subsidiary	80%	2(87)
47	Strides Specialties (Holdings) Ltd, Mauritius	NA	Subsidiary	100%	2(87)
48	SVADS Holdings SA, Switzerland	NA	Subsidiary	100%	2(87)
49	Trinity Pharma Proprietary Limited, South Africa	NA	Subsidiary	51.76%	2(87)
50	Universal Corporation Ltd, Kenya	NA	Subsidiary	51%	2(87)
51	Strides Vivimed Pte Ltd, Singapore (formerly, Vivimed Global Generics Pte Ltd)	NA	Subsidiary	50%	2(87)
52	MyPak Solutions Australia Pty Ltd, Australia (formerly, MyPak Solutions Pty Ltd)	NA	JV	50%	2(6)
53	Oraderm Pharmaceuticals Pty Limited, Australia	NA	JV	50%	2(6)
54	Vivimed Life Sciences Private Limited, India	U24304TG2017PTC115352	JV	50%	2(6)
55	Aponia Laboratories Inc, USA, USA	NA	Associate	24%	As per IND AS
56	Generic Partners (R&D) Pte Ltd, Singapore	NA	Associate	19%	As per IND AS
57	Regional Bio Equivalence Centre S.C., Ethiopia	NA	Associate	24.98%	As per IND AS
58	Stelis Biopharma Private Limited, India	U74140KA2007PTC043095	Associate	53.47%	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, 2017				No. of Shares held at the end of the year March 31, 2018				% Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
Individual/ HUF	66,50,146	-	66,50,146	7.44	71,50,146	-	71,50,146	7.99	0.55
Central Government	-	-	-	-		-		-	-
State Government	-	-	-	-		-		-	-
Bodies Corporate	2,11,48,238	-	2,11,48,238	23.65	2,09,18,238	-	2,09,18,238	23.37	-0.28
Banks/ Financial Institutions	-	-	-	-		-		-	-
Any Other	-	-	-	-		-		-	-
Sub Total (A)(1)	2,77,98,384	0	2,77,98,384	31.09	2,80,68,384	-	2,80,68,384	31.36	0.27
(2) Foreign								-	-
NRI's - Individuals	-	-	-	-		-		-	-
Other - Individuals	-	-	-	-		-		-	-
Bodies Corporate	-	-	-	-		-		-	-
Banks/ Financial Institutions	-	-	-	-		-		-	-
Any Other	-	-	-	-		-		-	-
Sub Total (A)(2)		0	0	0	0	0	0	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	2,77,98,384	-	2,77,98,384	31.09	2,80,68,384	-	2,80,68,384	31.36	0.27
(B) Public Shareholding									
(1) Institutions									
Mutual Funds/UTI	1,12,09,440	-	1,12,09,440	12.54	1,66,58,405	-	1,66,58,405	18.61	6.08
Banks/ Financial Institutions	2,51,542	1,026	2,52,568	0.28	4,85,391	1,026	4,86,417	0.54	0.26
Central Government	-	-	-	-	-	-	-	-	-
State Government	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	10,99,844	-	10,99,844	1.23	1,56,789	-	1,56,789	0.18	-1.05
FII's/ FPI's	3,02,80,932	-	3,02,80,932	33.86	2,76,11,511	-	2,76,11,511	30.85	-3.01
Foreign Venture Capital Funds	5,64,306	-	5,64,306	0.63	5,64,306	-	5,64,306	0.63	0.00
Sub Total (B)(1)	4,34,06,064	1,026	4,34,07,090	48.54	4,54,76,402	1,026	4,54,77,428	50.81	2.27
(2) Non Institutions									
(a) Bodies Corporate	30,67,409	3,144	30,70,553	3.43	33,48,515	2,222	33,50,737	3.74	0.31
(b) Individuals	-	-	-		-	-	-	-	-
(i) Individuals shareholders holding nominal share capital upto ₹1 Lakh	58,74,969	1,95,070	60,70,039	6.79	72,19,942	1,64,642	73,84,584	8.25	1.46
(ii) Individuals shareholders holding nominal share capital in excess ₹1 Lakh	58,32,802	-	58,32,802	6.52	18,52,600	-	18,52,600	2.07	-4.45
(c) Others Specify									
(i) Non Resident Indians	18,46,117	23,051	18,69,168	2.09	18,52,838	10,112	18,62,950	2.08	-0.01
(ii) HUF	2,62,544	-	2,62,544	0.29	3,12,888	-	3,12,888	0.35	0.06
(iii) Directors	3,52,550	-	3,52,550	0.39	2,78,853	-	2,78,853	0.31	-0.08
(iv) Trust	2,937	-	2,937	0.00	2,280	2,500	4,780	0.01	0.00
(v) Clearing Members	2,81,365	-	2,81,365	0.31	1,95,142	-	1,95,142	0.22	-0.10
(vi) Foreign Nationals	98,388	-	98,388	0.11	1,00,120	-	1,00,120	0.11	0.00
(vii) Foreign Co./ Overseas Corporate Bodies	21,000	-	21,000	0.02	21,000	-	21,000	0.02	0.00
(viii) NBFCs registered with RBI	3,581	-	3,581	0.00	6,628	-	6,628	0.01	0.00
(ix) NRI Non-Repatriation	58,536	-	58,536	0.07	96,740	-	96,740	0.11	0.04
(x) Alternate Investment Funds	2,94,069	-	2,94,069	0.33	4,33,559	-	4,33,559	0.48	0.16
(xi) IEPF	-	-	-		53,642	-	53,642	0.06	0.06
Sub Total (B2)	1,79,96,267	2,21,265	1,82,17,532	20.37	1,57,74,747	1,79,476	1,59,54,223	17.83	-2.55
Total Public Shareholding B=(B)(1)+(B)(2)	6,14,02,331	2,22,291	6,16,24,622	68.91	6,12,51,149	1,80,502	6,14,31,651	68.64	-0.27
(C) Shares held by Custodian for GDRs & ADRs	-	-	-	-		-	-	-	-
Grand Total(A+B+C)	8,92,00,715	2,22,291	8,94,23,006	100.00	8,93,19,533	1,80,502	8,95,00,035	100.00	0.00

(ii) Shareholding of Promoters

	Category and name of Shareholders	Shareholding at the beginning of the year April 1, 2017			Shareholding at the end of the year March 31, 2018			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares held	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares held	
	PROMOTERS							
1	ARUN KUMAR PILLAI	6,70,797	0.75	-	13,70,797	1.53	-	0.78
2	K R RAVISHANKAR	12,55,593	1.40	-	12,55,593	1.40	-	0.00
3	DEVENDRA KUMAR S	1,41,272	0.16	99.75	11,272	0.01	96.82	-0.15
4	VIMAL KUMAR S	2,15,012	0.24	-	2,15,012	0.24	79.07	0.00
5	PRONOMZ VENTURES LLP	1,26,65,000	14.16	-	1,26,65,000	14.15	-	-0.01
	PROMOTER GROUP							
6	ADITYA ARUN KUMAR	2,00,000	0.22	-	2,00,000	0.22	-	0.00
7	CHAITANYA D	3,31,988	0.37	-	3,31,988	0.37	-	0.00
8	DEEPA ARUN KUMAR	2,01,000	0.22	-	2,01,000	0.22	-	0.00
9	DEEPAK ABHAYA KUMAR	312	0.00	-	312	0.00	-	0.00
10	GAYATRI NAIR	33,000	0.04	-	33,000	0.04	-	0.00
11	HEMALATHA PILLAI	48,000	0.05	-	48,000	0.05	-	0.00
12	JATIN V	59,283	0.07	42.17	59,283	0.07	42.17	0.00
13	JITESH D	3,64,125	0.41	13.73	3,64,125	0.41	27.46	0.00
14	K R LAKSHMI	1,30,365	0.15	-	1,30,365	0.15	-	0.00
15	LAKSHMI GOPALAKRISHNAN	50,000	0.06	-	50,000	0.06	-	0.00
16	LEELA V	2,75,358	0.31	-	2,75,358	0.31	58.11	0.00
17	MONISHA NITIN	6,28,750	0.70	-	5,93,750	0.66	-	-0.04
18	NITIN KUMAR V	61,255	0.07	-	96,255	0.11	-	0.04
19	PADMAKUMAR KARUNAKARAN PILLAI	1,71,485	0.19	-	1,71,485	0.19	-	0.00
20	POOJA SRISRIMAL	93,750	0.10	-	93,750	0.10	-	0.00
21	PURUSHOTHAMAN PILLAI G	33,013	0.04	-	33,013	0.04	-	0.00
22	RAHUL NAIR	20,000	0.02	-	20,000	0.02	-	0.00
23	RAJESWARI AMMA	93,760	0.10	-	93,760	0.10	-	0.00
24	RAJITHA GOPALAKRISHNAN	45,000	0.05	-	45,000	0.05	-	0.00
25	RUPALI JATIN	6,32,812	0.71	-	6,32,812	0.71	-	0.00
26	SAJITHA PILLAI	80,000	0.09	-	80,000	0.09	-	0.00
27	SAJJAN D	2,29,400	0.26	-	1,59,400	0.18	-	-0.08
28	SUCHI CHAITANYA SRISRIMAL	93,750	0.10	-	93,750	0.10	-	0.00
29	TARINI ARUN KUMAR	2,00,000	0.22	-	2,00,000	0.22	-	0.00
30	V. JATIN (HUF)	408	0.00	-	408	0.00	-	0.00
31	V. NITIN KUMAR (HUF)	500	0.00	-	500	0.00	-	0.00
32	VIMAL KUMAR S - HUF	1,15,158	0.13	-	1,15,158	0.13	-	0.00
33	VINEETHA MOHANAKUMAR PILLAI	1,75,000	0.20	-	1,75,000	0.20	-	0.00
	BODY CORPORATES							
34	ABUSHA INVESTMENT & MANANGEMENT SERVICES LLP	17,81,221	1.99	45.44	16,81,221	1.88	100.00	-0.11
35	AGNUS CAPITAL LLP	20,000	0.02	-	20,000	0.02	-	0.00
36	AGNUS HOLDINGS PVT LTD	1,20,816	0.14	-	1,20,816	0.13	-	0.00
37	AMBEMATA SECURITIES	4,81,660	0.54	99.66	4,81,660	0.54	95.50	0.00
38	CHAYADEEP PROPERTIES PRIVATE LTD	3,61,060	0.40	-	4,11,060	0.46	-	0.06
39	DEVENDRA ESTATES PRIVATE LIMITED	8,03,953	0.90	98.30	7,01,953	0.78	99.83	-0.11
40	DEVENDRA ESTATES LLP	6,05,000	0.68	83.47	5,00,000	0.56	100.00	-0.12
41	SEQUENT SCIENTIFIC LIMITED	33,12,500	3.70	-	33,12,500	3.70	-	0.00
42	SHASUN LEASING AND FINANCE (P) LIMITED	9,61,091	1.07	98.85	9,68,091	1.08	99.27	0.01
43	TRIUMPH VENTURE HOLDINGS LLP	35,937	0.04	-	35,937	0.04	-	0.00
44	KARUNA VENTURES PRIVATE LIMITED*				20,000	0.02		0.02
	Total	2,77,98,384	31.09	13.49	2,80,68,384	31.36	16.99	0.27

* Became part of Promoter group effective November 2017

(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
	PROMOTERS				
1	**Arun Kumar**				
	At the beginning of the year April 1, 2017	6,70,797	0.75		
	Add: Market Purchase on November 10, 2017	2,00,000		8,70,797	
	Add: Market Purchase on February 14, 2018	2,00,000		10,70,797	
	Add: Market Purchase on February 19, 2018	3,00,000		13,70,797	
	At the End of the year			13,70,797	1.53
2	**K R Ravishankar**				
	At the beginning of the year April 1, 2017	12,55,593	1.40		
	At the End of the year			12,55,593	1.40
3	**Devendra Kumar S**				
	At the beginning of the year April 1, 2017	1,41,272	0.16		
	Less: Market sale on February 14,2018	1,30,000		11,272	
	At the End of the year			11,272	0.01
4	**Vimal Kumar S**				
	At the beginning of the year April 1, 2017	2,15,012	0.24		
	At the End of the year			2,15,012	0.24
5	**Pronomz Ventures LLP**				
	At the beginning of the year April 1, 2017	1,26,65,000	14.16		
	At the End of the year			1,26,65,000	14.15
	PROMOTER GROUP				
6	**Aditya Arun Kumar**				
	At the beginning of the year April 1, 2017	2,00,000	0.22		
	At the End of the year			2,00,000	0.22
7	**Chaitanya D**				
	At the beginning of the year April 1, 2017	3,31,988	0.37		
	At the End of the year			3,31,988	0.37
8	**Deepa Arun Kumar**				
	At the beginning of the year April 1, 2017	2,01,000	0.22		
	At the End of the year			2,01,000	0.22
9	**Deepak Abhaya Kumar**				
	At the beginning of the year April 1, 2017	312	0.00		
	At the End of the year			312	0.00
10	**Gayatri Nair**				
	At the beginning of the year April 1, 2017	33,000	0.04		
	At the End of the year			33,000	0.04
11	**Hemalatha Pillai**				
	At the beginning of the year April 1, 2017	48,000	0.05		
	At the End of the year			48,000	0.05
12	**Jatin V**				
	At the beginning of the year April 1, 2017	59,283	0.07		
	At the End of the year			59,283	0.07
13	**Jitesh D**				
	At the beginning of the year April 1, 2017	3,64,125	0.41		
	At the End of the year			3,64,125	0.41
14	**K R Lakshmi**				
	At the beginning of the year April 1, 2017	1,30,365	0.15		
	At the End of the year			1,30,365	0.15
15	**Lakshmi Gopalakrishnan**				
	At the beginning of the year April 1, 2017	50,000	0.06		
	At the End of the year			50,000	0.06
16	**Leela V**				
	At the beginning of the year April 1, 2017	2,75,358	0.31		
	At the End of the year			2,75,358	0.31
17	**Monisha Nitin**				
	At the beginning of the year April 1, 2017	6,28,750	0.70		
	Less: Off Market transfer to Nitin Kumar V on July 2017	35,000		5,93,750	
	At the End of the year			5,93,750	0.66
18	**Nitin Kumar V**				
	At the beginning of the year April 1, 2017	61,255	0.07		
	Add: Off Market transfer received from Monisha Nitin on July 2017	35,000		96,255	
	At the End of the year			96,255	0.11

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
19	**Padmakumar Karunakaran Pillai**				
	At the beginning of the year April 1, 2017	1,71,485	0.19		
	At the End of the year			1,71,485	0.19
20	**Pooja Srisrimal**				
	At the beginning of the year April 1, 2017	93,750	0.10	-	-
	At the End of the year			93,750	0.10
21	**Purushothaman Pillai G**				
	At the beginning of the year April 1, 2017	33,013	0.04		
	At the End of the year			33,013	0.04
22	**Rahul Nair**				
	At the beginning of the year April 1, 2017	20,000	0.02		
	At the End of the year			20,000	0.02
23	**Rajeswari Amma**				
	At the beginning of the year April 1, 2017	93,760	0.10		
	At the End of the year			93,760	0.10
24	**Rajitha Gopalakrishnan**				
	At the beginning of the year April 1, 2017	45,000	0.05		
	At the End of the year			45,000	0.05
25	**Rupali Jatin**				
	At the beginning of the year April 1, 2017	6,32,812	0.71		
	At the End of the year			6,32,812	0.71
26	**Sajitha Pillai**				
	At the beginning of the year April 1, 2017	80,000	0.09		
	At the End of the year			80,000	0.09
27	**Sajjan D**				
	At the beginning of the year April 1, 2017	2,29,400	0.26		
	Less: Market Sale on February 14, 2018	70,000		1,59,400	
	At the End of the year			1,59,400	0.18
28	**Suchi Chaitanya Srisrimal**				
	At the beginning of the year April 1, 2017	93,750	0.10	-	-
	At the End of the year			93,750	0.10
29	**Tarini Arun Kumar**				
	At the beginning of the year April 1, 2017	2,00,000	0.22		
	At the End of the year			2,00,000	0.22
30	**V. Jatin (HUF)**				
	At the beginning of the year April 1, 2017	408	0.00		
	At the End of the year			408	0.00
31	**V. Nitin Kumar (HUF)**				
	At the beginning of the year April 1, 2017	500	0.00		
	At the End of the year			500	0.00
32	**Vimal Kumar S - HUF**				
	At the beginning of the year April 1, 2017	1,15,158	0.13		
	At the End of the year			1,15,158	0.13
33	**Vineetha Mohanakumar Pillai**				
	At the beginning of the year April 1, 2017	1,75,000	0.20		
	At the End of the year			1,75,000	0.20
	BODY CORPORATES				
34	**Abusha Investments & Management Services LLP**				
	At the beginning of the year April 1, 2017	17,81,221	1.99		
	Less: Market Sale on February 19, 2018	1,00,000		16,81,221	
	At the End of the year			16,81,221	1.88
35	**Agnus Capital LLP**				
	At the beginning of the year April 1, 2017	20,000	0.02		
	At the End of the year			20,000	0.02
36	**Agnus Holdings Pvt Ltd**				
	At the beginning of the year April 1, 2017	1,20,816	0.14		
	At the End of the year			1,20,816	0.13
37	**Ambemata Securities**				
	At the beginning of the year April 1, 2017	4,81,660	0.54	-	-
	At the End of the year			4,81,660	0.54

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
38	**Chayadeep Properties Private Ltd**				
	At the beginning of the year April 1, 2017	3,61,060	0.40		
	Add: Market Purchase on May 23, 2017	50,000		4,11,060	
	At the End of the year			4,11,060	0.46
39	**Devendra Estates LLP**				
	At the beginning of the year April 1, 2017	6,05,000	0.68		
	Add: Off Market Purchase from Devendra Estates Private Limited on May 17, 2017	1,00,000		7,05,000	
	Add: Off Market Purchase from Devendra Estates Private Limited on October 03, 2017	2,000		7,07,000	
	Less: Off Market Sale to Shasun Leasing and Finance (P) Ltd on October 04, 2017	7,000		7,00,000	
	Less: Market Sale on February 19, 2018	2,00,000		5,00,000	
	At the End of the year			5,00,000	0.56
40	**Devendra Estates Private Limited**				
	At the beginning of the year April 1, 2017	8,03,953	0.90		
	Less: Off Market sale to Devendra Estates LLP on May 17, 2017	1,00,000		7,03,953	
	Less: Off Market sale to Devendra Estates LLP on October 03, 2017	2,000		7,01,953	
	At the End of the year			7,01,953	0.78
41	**Sequent Scientific Limited**				
	At the beginning of the year April 1, 2017	33,12,500	3.70		
	At the End of the year			33,12,500	3.70
42	**Shasun Leasing And Finance (P) Limited**				
	At the beginning of the year April 1, 2017	9,61,091	1.07		
	Add: Market purchase on October 4, 2017	7,000		9,68,091	
	At the End of the year			9,68,091	1.08
43	**Triumph Venture Holdings LLP**				
	At the beginning of the year April 1, 2017	35,937	0.04		
	At the End of the year			35,937	0.04
44	**Karuna Ventures Private Limited**				
	At the beginning of the year April 1, 2017	-	-		
	Add: Market Purchase on November 10, 2017	20,000		20,000	
	At the End of the year			20,000	0.02

(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, 2017		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SBI BLUE CHIP FUND	58,18,481	6.51	67,40,140	7.53
2	KARST PEAK ASIA MASTER FUND	-	-	25,83,024	2.89
3	DSP BLACKROCK EQUITY AND BOND FUND	-	-	25,51,999	2.85
4	ROUTEONE OFFSHORE MASTER FUND LP	16,75,585	1.87	22,88,215	2.56
5	ROUTEONE FUND I LP	15,23,352	1.70	20,80,067	2.32
6	GOVERNMENT PENSION FUND GLOBAL	-	-	20,31,434	2.27
7	UTI BALANCED FUND	-	-	18,72,440	2.09
8	HDFC TRUSTEE COMPANY LIMITED - A/C - HDFC MIDCAP OPPORTUNITIES FUND	11,22,216	1.25	15,98,016	1.79
9	SATPAL KHATTAR	15,60,032	1.74	15,60,032	1.74
10	MSD INDIA FUND LIMITED	5,00,330	0.56	15,52,630	1.73
11	MORGAN STANLEY MAURITIUS COMPANY LIMITED	26,95,372	3.01	13,41,407	1.50
12	DB INTERNATIONAL (ASIA) LTD	32,66,874	3.65	11,40,208	1.27
13	GOLDMAN SACHS (SINGAPORE) PTE	24,53,297	2.74	-	-
14	MORGAN STANLEY ASIA (SINGAPORE) PTE.	19,09,437	2.14	-	-
15	SHIVANAND SHANKAR MANKEKAR	18,55,321	2.07	-	-
16	STEADVIEW CAPITAL MAURITIUS LIMITED	15,46,829	1.73	-	-
17	TATA BALANCED FUND	14,52,550	1.62	-	-

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

(v) Shareholding of Directors and Key Managerial Personnel as at March 31, 2018

Sl. No	Name of the Directors and KMP	Shareholding at the beginning of the year April 1, 2017		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Deepak Vaidya**				
	At the beginning of the year	1,75,000	0.20		
	Add: Market purchase on October 05, 2017	2,000		1,77,000	
	At the End of the year			1,77,000	0.20
2	**Sridhar S**				
	At the beginning of the year	48,750	0.05		
	At the End of the year			48,750	0.05
3	**Bharat Shah**				
	At the beginning of the year	30,000	0.03		
	At the End of the year			30,000	0.03
4	**Sangita Reddy**				
	At the beginning of the year	Nil	Nil		
	At the End of the year			Nil	Nil
5	**Homi Rustom Khusrokhan**				
	At the beginning of the year	Nil	Nil		
	At the End of the year			Nil	Nil
6	**Arun Kumar**				
	At the beginning of the year April 1, 2017	6,70,797	0.75		
	Add: Market Purchase on November 10, 2017	2,00,000		8,70,797	
	Add: Market Purchase on February 14, 2018	2,00,000		10,70,797	
	Add: Market Purchase on February 19, 2018	3,00,000		13,70,797	
	At the End of the year			13,70,797	1.53
7	**Shashank Sinha**				
	At the beginning of the year	612	0.00		
	Add: Market Purchase on April 10, 2017	455	0.00	1,067	
	Add: Market Purchase on May 23, 2017	536	0.00	1,603	
	Add: Exercise of options under Strides Shasun ESOP 2016 Scheme on July 20, 2017	20,000	0.02	21,603	
	Add: Market purchase on February 15, 2018	1,500	0.00	23,103	
	At the End of the year			23,103	0.03
8	**Badree Komandur**				
	At the beginning of the year	Nil	Nil		
	At the End of the year			Nil	Nil
9	**Manjula Ramamurthy - Company Secretary**				
	At the beginning of the year	100	0.00		
	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, 2018

₹ in Million

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	15,330.28	750.00	-	16,080.28
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	46.47	-	-	46.47
Total (i+ii+iii)	**15,376.75**	**750.00**	**-**	**16,126.75**
Change in Indebtedness during the financial year				
Addition	1,250.00	-	-	1,250.00
Reduction	(8,350.53)	-	-	(8,350.53)
Pursuant to demerger	(4,563.49)	-	-	(4,563.49)
Amortisation of processing fees	(108.39)	-	-	(108.39)
Working capital loans (net)	1,985.20	(231.51)	-	1,753.69
Exchange loss / (gain)	-	-	-	-
Net Change	**(9,787.21)**	**(231.51)**	**-**	**(10,018.71)**
Indebtedness at the end of the financial year				
(i) Principal Amount	5,543.07	518.49		6,061.57
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**5,543.07**	**518.49**	**-**	**6,061.57**

VI. Remuneration of Directors and Key Managerial Personnel

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

(Amount in ₹)

#	Particulars of Remuneration	Name of MD/ WTD/ Manager				
		Arun Kumar (Managing Director)	Abhaya Kumar (Executive Director)	Shashank Sinha (Managing Director)	Badree Komandur (Executive Director)	Total Amount
		April 1, 2017 to May 18, 2017	up to May 18, 2017	May 18, 2017 to March 31, 2018	May 18, 2017 to March 31, 2018	
1.	Gross Salary					
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	1,40,34,970	1,19,59,815	4,35,30,994	1,71,71,773	8,66,97,552
	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	-	-	18,75,600	-	18,75,600
3.	Sweat Equity	-	-	-	-	-
4.	Commission As % of profit Others, pls specify	-	-	-	-	-
5.	Others – Bonus	-	-	62,50,000	62,50,000	1,25,00,000
	Total (A)	**1,40,34,970**	**1,19,59,815**	**5,16,56,594****	**2,34,21,773**	**10,10,73,152**
	Ceiling as per the Act for Managing Directors/ Whole-time Directors	Maximum managerial remuneration available to one whole time directors (including commission) @ 5% of net profit as computed under the Companies Act, 2013 is ₹49.98 Million				

*includes Company's contribution towards PF

** Pursuant to approval of Members of the Company at the 26th Annual General Meeting, the Company had applied to Central Government under Section 197 (3) read with Schedule V of the Companies Act, 2013 for approval of remuneration payable to Mr. Shashank Sinha, Managing Director, due to any inadequacy of profits.

Net Profit of the Company for the year ended March 31, 2018 in terms of Section 198 was ₹ 999.65 Million. The maximum remuneration payable to one Executive Directors was ₹ 49.98 Million (which is 5% of the net profit).

In the absence of approval from Central Government for the remuneration payable to Mr. Shashank Sinha and in line with the provisions of the Companies Act, 2013, an amount of ₹ 1.67 Million, which is paid in excess of the prescribed limits, shall be recovered from Mr. Shashank Sinha.

B. Remuneration to other directors

#	Name of Directors	Fees for attending Board & Committee meetings (₹)	Commission (₹)	Others (₹)	Total (₹)
1	Deepak Vaidya	6,00,000	-	-	6,00,000
2	Sridhar S	9,00,000	-	-	9,00,000
3	Bharat Shah	7,00,000	-	-	7,00,000
4	Homi Khusrokhan*	7,00,000	-	-	7,00,000
5	Sangita Reddy	3,00,000	-	-	3,00,000
6	Arun Kumar**	7,00,000	-	-	7,00,000
7	P M Thampi ***	1,00,000	-	-	1,00,000
8	M R Umarji ***	1,00,000	-	-	1,00,000
9	A K Nair ***	-	-	-	-
	Total	**41,00,000**	**-**	**-**	**41,00,000**
	Overall ceiling as per the Act for Non-Executive Directors: ₹ 10 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: ₹ 10,51,73,152/-				

* Independent Director w.e.f May 18, 2017
** Non-Executive Director w.e.f. May 18, 2017
***Ceased to be Director(s) wef May 18, 2017

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

#	Particulars	Manjula Ramamurthy (Company Secretary)
1.	Gross Salary	
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	31,65,908
	Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Options	-
3.	Sweat Equity	-
4.	Commission As % of profit Others, pls specify	-
5.	Others – Bonus	200,750
	Total (A)	**33,66,658**

*includes Company's contribution towards PF which is as under:

VII. Penalties / Punishment/ Compounding of offences:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018

For and on behalf of the Board of Directors

Date: August 8, 2018
Place: Bengaluru

Deepak Vaidya
Chairperson of the Board

Annexure 8

Particulars on Energy Conservation and Technology Absorption

(A) Conservation of Energy

(i) Steps taken and impact on conservation of energy

a) 1,87,300 KL of process water treated by waste water treatment plants and reused for garden/lawn inside the plant premises across all sites in India.

- 85000 KL process water was treated in ZLD & reused for non process usage in API – Puducherry.
- 30000 KL RO Reject was recycled & reused for non process usage in API – Cuddalore.

b) 58,260 KL of water recycled from steam condensate and reused for steam generation across all sites.

c) 8,717 KL rain water collected and recharged to improve the ground water table across all sites.

d) Replacement of TFL/CFL/SVL with energy efficient LED lights resulted in saving of about 4,80,370 kWh across all sites.

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

a) Utilisation of 12.82 MU renewable energy resulted in 6,795 MT CO2 emissions reduction across all sites.

b) Utilised Indian Energy Exchange and Power Exchange of India as alternate energy sources and consumed 9.17 MU across all sites in India.

(B) Technology absorption:

(i) Efforts made towards technology absorption are:

At Oral Dosage Facility – Bengaluru

a) Tablet Inspection system in two CVC Bulk filling lines commissioned to detect & reject tablets/Hard gel capsules not meeting acceptance criteria.

b) 200 BPM High speed Bulk filling line commissioned.

At Oral Dosage facility – Puducherry

a) Tablet Inspection system in three CVC Bulk filling lines commissioned to detect & reject tablets/Hard gel capsules not meeting acceptance criteria.

b) Installed automatic moving pallet station of 1000 pallet capacity for FG.

c) 5 Fully automated KRAEMER UTS 4.1 Tablet testing machines installed for improved compliance.

At API facility – Cuddalore

a) High efficiency water chillers with screw compressors and eco friendly R-134a refrigerant installed for process cooling application resulted in power savings of 589750 KWH per year.

At API facility – Puducherry

a) 6 Ultra high performance liquid chromatography Instruments, 5 Gas chromatography Instruments with Liquid auto samplers, 1 ICP MS, 2 Gas chromatography Instruments are installed in Quality Control Laboratory to improve the lab testing capabilities.

At API facility – Ambernath

a) Microbiology lab is upgraded from ISO Class - 8 (Grade-D) to ISO Class -7 (Grade-C) without any additional HVAC/Area modifications in the existing facility.

b) -35°C customised set up is made with dry ice arrangement for R&D batches (Cinacalcet).

SSRC – Chennai

a) New Pharma refrigerator installed for storage of organic lab raw materials requiring low temp storage conditions in place of multiple low volume refrigerators.

(ii) Product Improvement & Technology Absorption:

At Oral Dosage Facility – Bengaluru

a) MES (Manufacturing Execution System - eBMR) implemented successfully for tablet manufacturing process. First Product - LNZ Tablets are being manufactured consistently.

b) Cycle time improved by 30 % in LNZ tablets Coating process.

c) Frusemide Tablets 500mg technical issues in manufacturing resolved and commercial volumes are being delivered.

d) The productivity improvement is achieved by carrying out about 8 batch size changes.

e) The products are validated with alternate equipment's in 19 products to accommodate the business requirement and there by achieve customer satisfaction.

f) The sustainability of existing products achieved from the challenges of existing sources, regulatory requirements by carrying out source change validations for 6 products.

g) 26 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 an improvement of their performance.

h) 13 products from the recent added Arrow basket of products are site transferred to the in-house manufacturing facilities.

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

j) Product Robustness Drive resulted in Improved quality and productivity in the following products

- Prochlorperazine Maleate tab 5 mg
- Methoxsalen Capsules USP 10 mg
- Vancomycin Caps 125 mg & 250 mg.
- Prednisone Tabs 1 mg.
- Camvit plus capsules.
- Frusemide Tablets 20mg, 40 mg & 500mg.
- Efavirenz Tabs 200 mg & 600mg.
- Prednisone Tabs 25 mg.

At Oral Dosage facility – Puducherry

a) Improved the productivity of 4 products by increasing the compression machine speed and reduced the sticking frequency of products for overall efficiency.

b) 6 products were launched in Arrow basket of products & are site transferred to the in-house manufacturing facilities.

c) 4 commercial launches for US market are achieved to have the higher share in regulated market.

d) Mesalamine capsules 250 mg & 500 mg – Scale up batch successfully completed in higher capacity wurster coater (FBE 500 C).

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

Integrated High speed counting line from CVC From Taiwan commissioned in Bengaluru site to deliver 200 BPM with improved controls and compliance

Dedicated Fully automated KRAEMER UTS 4.1 Tablet testing machines from Switzerland installed in 5 compression machine cubicles in Puducherry site to check compressed tablet parameters for improved compliance and efficiency.

Expenditure on R&D:

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Capital	274.76	150.41
Revenue	1,741.69	1,531.17
Total	2,016.45	1,681.58

Total Foreign Exchange Earned and Used

₹ in Million

Particulars	Year ended March 31, 2018
Foreign exchange earned in terms of actual inflows	15,697.12
Foreign exchange outgo in terms of actual outflows	735.42

For and on behalf of the Board of Directors

Date: August 8, 2018
Place: Bengaluru

Deepak Vaidya
Chairperson of the Board

Corporate Governance Report

In compliance with provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company submits the Corporate Governance Report for the year ended March 31, 2018.

1 Corporate Governance at Strides

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



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

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

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

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

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

2 The Board of Directors

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

We believe that our Board has an appropriate mix of Executive and Non-Executive Directors to maintain its

independency and to separate its function of governance and management. The Board represents an optimal mix of professionalism, knowledge and experience.

2.1 Board Composition

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

During the period April 1, 2017 to the date of this report, the Board of the Company underwent the following changes:

Effective Date	Remarks
May 18, 2017	Mr. Abhaya Kumar, Mr. P M Thampi, Mr. A K Nair and Mr. M R Umarji resigned from the Board of Strides.
	Mr. Homi Rustam Khusrokhan was appointed as the Independent Director.
	Mr. Shashank Sinha was appointed as Managing Director.
	Mr. Badree Komandur was appointed as Executive Director – Finance.
	Mr. Deepak Vaidya stepped down from Chairmanship and continued as Non-Executive Director.
	Mr. Arun Kumar moved from Executive position to Non-Executive position and was appointed as Chairperson of the Board.
April 1, 2018	Mr. Arun Kumar moved from Non-Executive position to Executive position
May 18, 2018	Mr. Shashank Sinha stepped down from the Board of Directors owing a newer role of heading the business of the Company in Australia, Africa Brands and Rest of the World Regulated Markets.
	Mr. Arun Kumar was re-designated as Group CEO and Managing Director
	Mr. Deepak Vaidya was designated as Chairperson of the Board

Board and Committee Composition as at the date of this report is as under:

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

♟ - Chairperson of the Committee
✓ - Member

Company Secretary of the Company acts as the Secretary of all the Board-level Committees and is inter alia, responsible for recording the minutes of such meetings.

All the Directors on the Board are highly experienced in their respective fields and are known personalities in the corporate world. A detailed profile of the members of the Board of Directors is attached as Annexure CG - 1.

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

#	Name of the 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.	Deepak Vaidya	Chairperson & Non-Executive Director	January 16, 1998	177,000 (0.19%)	11	7	4
2.	S Sridhar	Independent Director	July 27, 2012	48,750 (0.05%)	12	8	5
3.	Bharat Shah	Independent Director	July 25, 2014	55,000 (0.06%)	10	8	1
4.	Sangita Reddy	Independent Director	February 7, 2014	-	15	1	0
5.	Homi Rustam Khusrokhan	Independent Director	May 18, 2017	-	2	2	1
6.	Arun Kumar	Promoter, Group CEO & Managing Director	June 28, 1990	13,70,797 (1.53%)	5	2	-
7.	Badree Komandur	Executive Director, Finance	May 18, 2017	-	-	-	-

Note:

1. None of the Director is a member of the Board of more than twenty companies or a member of more than ten Board-level Committees or Chairperson of more than five such Committees.
2. 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.
3. In accordance with the provisions of Listing Regulations, while considering the position held as Member/ Chairperson in Committees, only Audit Committee and Stakeholder Relationship Committee 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.
4. Position held in the Company as Director and/ or Member/ Chairperson of Committee has been excluded in the above table.
5. None of the Directors are related to any other Director.

2.2 Appointment, Re-designation of Directors & Retirement by Rotation

The following directors are Appointed/ Re-designated at the ensuing Annual General Meeting, subject to approval of Members of the Company:

1) Mr. Badree Komandur, Executive Director - Finance retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

2) Appointment of Mr. Arun Kumar as Executive Director of the Company for a period of 3 years.

3) Continuation of Mr. Homi Rustam Khusrokhan as Independent Director of the Company till the completion of his current term i.e. upto May 17, 2022.

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

Your Directors recommend their appointment/ re-appointment to the Board.

2.3 Induction & Familiarisation programmes for Board Members

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

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

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

The policy formulated by the Company for Familiarisation is uploaded on the website of the Company at http://www.strides.com/investor-committeeboard.html

2.4 Board Meetings

With a view to leverage technology and complement MCA's Green Initiatives in Corporate Governance, the

Company has adopted digital meetings platform which can be accessed through web version, iOS and Android based application.

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

The Board meetings are pre-scheduled and a tentative annual calendar of Board meetings is agreed and 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 6 times. These meetings were held on May 18, 2017, August 11, 2017, October 31, 2017, November 18, 2017, February 9, 2018 and March 12, 2018.

Attendance of Directors at the Board Meeting:

Directors	May 18, 2017	August 11, 2017	October 31, 2017	November 18, 2017	February 9, 2018	March 12, 2018
Deepak Vaidya	✓	✓	-	📞	✓	📞
S Sridhar	✓	✓	✓	✓	✓	✓
Bharat Shah	✓	✓	✓	✓	-	✓
Sangita Reddy	-	-	✓	-	-	📞
Homi Rustam Khusrokhan**	-	✓	✓	📞	✓	✓
Arun Kumar	✓	✓	✓	-	✓	✓
Shashank Sinha*	✓	✓	✓	📞	✓	📞
Badree Komandur**	✓	✓	✓	✓	✓	-
Abhaya Kumar***	-	NA	NA	NA	NA	NA
M R Umarji***	✓	NA	NA	NA	NA	NA
A K Nair***	-	NA	NA	NA	NA	NA
P M Thampi***	✓	NA	NA	NA	NA	NA

*Appointed on the Board effective May 18, 2017; resigned from the Board effective May 18, 2018
** Appointed on the Board effective May 18, 2017
*** Resigned from the Board effective May 18, 2017
✓ Present in person
NA - Not Applicable
📞 - Through audio call

2.5 Meetings of Independent Directors

Independent Directors of the Company met on May 18, 2017 without the presence of the Non-Independent and Executive Directors.

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 Chairperson 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.

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 as at March 31, 2018.

3 Committees of the Board

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

The Board has the following Board-level Committees during the year under review:

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

3.1 Composition of the Board Committees as at March 31, 2018:

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

3.2 Attendance of Members in the Board Committees:

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

* Appointed on the Board effective May 18, 2017
** Resigned from the Board effective May 18, 2017
N.A. – Not a member of the Committee

4 Audit Committee

4.1 Audit Committee Meetings

The Committee met 4 times during the period under review i.e., on May 18, 2017, August 11, 2017, October 31, 2017 and February 9, 2018. Attendance of members at the Committee Meeting is provided at Item No. 3.2 above.

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

4.2 Terms of reference of the Audit Committee

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

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

(b) Discuss and review, with the management and auditors, the annual/ quarterly financial statements and the Auditor's Report on the same before submission to the Board, with particular reference to matters that must be included in the Director's Responsibility Statement.

(c) Review of the Management Discussion and Analysis of financial condition and results of operations of the Company.

(d) 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.

(e) 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.

(f) Review with the management, statutory and internal auditors, the adequacy of internal control systems and related matters and review of management letters/ letters of internal control weaknesses issued by internal auditors.

(g) Review, approval and modification, if any, of the Related Party Transactions in accordance with the Related Party Transactions policy of the Company, and review of statement of significant related party transactions submitted by the management.

(h) Review of Vigil Mechanism policy, which provides adequate safeguards against victimisation of employees/ Directors and recommend suitable action to the management against persons making repeated frivolous complaints under this mechanism.

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

5 Nomination and Remuneration Committee

5.1 Meetings of the Committee

The Committee met 5 times during the period under review on May 18, 2017, August 10, 2017, October 31, 2017, February 8, 2018 and March 12, 2018. Attendance of members at the Committee Meeting is provided at Item No. 3.2 above.

5.2 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) To carry out evaluation of every Director's performance.

(d) 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) To 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.

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

5.4 Nomination and Remuneration Policy

The Company has formulated a Nomination and Remuneration Policy for the Board of Directors, Key Managerial Personnel and Senior Management Personnel of the Company which is uploaded on the website of the Company: http://www.strides.com/investor-committeboard.html

5.5 Performance Evaluation

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

Evaluation of performance is carried out once a year.

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

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

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

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

5.6 Details of Remuneration to Directors

The appointment and remuneration of Executive Directors is by virtue of shareholder approval. Components of remuneration to Executive Directors 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 Non-Executive/ Independent Directors receive sitting fees of ₹100,000/- (effective August 11, 2017. Prior to August 11, 2017 – the sitting fees paid was ₹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 covering criteria of making payments to Non-Executive Directors, which is uploaded on the website of the Company – http://www.strides.com/investor-committeboard.html

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

1) Executive Directors

Name of the Directors	Salary and Allowances (₹)	PF (₹)	Perquisite Value wrt ESOP & Others (₹)	Bonus (₹)	Total (₹)
Arun Kumar *	1,38,41,499	193,471	-	-	1,40,34,970
Abhaya Kumar*	1,17,19,399	2,40,416	-	-	1,19,59,815
Shashank Sinha **	4,01,50,431	33,80,563	18,75,600	62,50,000	5,16,56,594
Badree Komandur **	1,61,90,612	981,161	-	62,50,000	2,34,21,773

* Remuneration drawn as Executive Director from April 1, 2017 to May 18, 2017

** Remuneration as Executive Director from May 18, 2017

Pursuant to approval of Members of the Company at the 26th Annual General Meeting, the Company had applied to Central Government under Section 197 (3) read with Schedule V of the Companies Act, 2013 for approval of remuneration payable to Mr. Shashank Sinha, Managing Director, due to any inadequacy of profits.

Net Profit of the Company for the year ended March 31, 2018 in terms of Section 198 was ₹999.65 Million. The maximum remuneration payable to one Executive Directors was ₹49.98 Million (which is 5% of the net profit).

In the absence of approval from Central Government for the remuneration paid to Mr. Shashank Sinha and in line with the provisions of the Companies Act, 2013, an amount of ₹1.67 Million, which is paid in excess of the prescribed limits, shall be recovered from Mr. Shashank Sinha.

2) Non-Executive & Independent Directors

#	Name of the Directors	Sitting fee (₹)	Commission/ Bonus (₹)	Total (₹)
1	Deepak Vaidya	6,00,000	-	6,00,000
2	S Sridhar	9,00,000	-	9,00,000
3	Bharat Shah	7,00,000	-	7,00,000
4	Sangita Reddy	3,00,000	-	3,00,000
5	Homi Khusrokhan	7,00,000	-	7,00,000
6	Arun Kumar	7,00,000	-	7,00,000
7	M R Umarji	1,00,000	-	1,00,000
8	P M Thampi	1,00,000	-	1,00,000
9	A K Nair	-	-	-

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

6 Stakeholders' Relationship Committee

6.1 Stakeholders' Relationship Committee

Meetings of the Committee

The Committee met 4 times during the period under review i.e. on May 18, 2017, August 10, 2017, October 31, 2017 and February 8, 2018. Attendance of members at the Committee Meeting is provided at Item No. 3.2 above.

6.2 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/ re-materialisation 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.

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

6.3 Investor/ Shareholder Complaints

Details of complaints resolved during the year under review is as under:

#	Description	Opening balance at April 1, 2017	No. of cases received	Disposed	Pending
1	Non receipt of dividend warrants	0	135	135	0
2	Non receipt of annual reports	0	27	27	0
3	Non receipt of securities	0	17	17	0
4	Non receipt of securities after transfer	0	1	1	0
5	Non receipt of electronic credits	0	0	0	0
6	Non receipt of duplicate/ transmission/ deletion of share certificates	0	0	0	0
7	SEBI Complaints (SCORES)	0	2	2	0
8	NSE/ BSE Complaints	1	3	4	0
9	Other Complaints (MCA/ROC)	0	1	1	0
	Total	**1**	**186**	**187**	**0**

6.4 Reconciliation of Share Capital Audit

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

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

6.5 Secretarial Compliance Certificate

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

6.6 Secretarial Audit

The Company has undertaken Secretarial Audit which was conducted by Mr. Gopalakrishnaraj, a Practicing Company Secretary for the financial year ended March 31, 2018 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by SEBI and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India.

The Secretarial Audit Report forms as an Annexure to Boards' Report and does not contain any qualification, reservation or adverse remark.

7 Corporate Social Responsibility (CSR) Committee

7.1 Committee Meeting Details

The CSR Committee met twice during the period under review i.e., on May 18, 2017 and October 31, 2017. Attendance of members at the Committee Meeting is provided at Item No. 3.2 above.

7.2 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.

8 Governance of Subsidiary Companies

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.strides.com/investor-committeeboard.html

The minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis. Details of Investments, Loans granted and guarantees, if any, made by the subsidiary companies are placed before and reviewed by the Audit Committee of the company. The Board of Directors of the Company review periodically the statement of all significant transactions and arrangements entered into by the subsidiary companies.

9 General Meetings and Postal Ballot

9.1 Annual General Meeting

The Twenty-Sixth Annual General Meeting (AGM) of the Company was held on Friday, September 15, 2017. The Meeting was attended by Mr. Arun Kumar, Mr. Deepak Vaidya, Mr. Shashank Sinha, Mr. Badree Komandur, Mr. Sridhar S and Mr. Bharat Shah.

9.2 General Meetings and Tribunal Convened Meetings held during the preceding three years

The details of the General Meetings and Tribunal Convened Meetings held during the preceding three years and Special Resolutions passed therein are summarised as under:

AGM/ EGM	Date /Time	Venue	Special Resolutions passed
Tribunal convened Meeting	December 27, 2017 at 12.00 Noon	Four Points by Sheraton, Plot No. – 39/1, 6 to 15, Sector – 30A, Vashi, Navi Mumbai – 400 701	Approval of the Composite Scheme of Arrangement between the Company, SeQuent Scientific Limited and Solara Active Pharma Sciences Limited and their respective shareholders and creditors.
AGM for FY ending March 31, 2017	September 15, 2017 at 12.15 PM	Four Points by Sheraton, Plot No. – 39/1, 6 to 15, Sector – 30A, Vashi, Navi Mumbai – 400 701	1) Appointment of Mr. Shashank Sinha as Managing Director of the Company. 2) Appointment of Mr. Badree Komandur as Executive Director – Finance of the Company. 3) Amendment of Article 94 of the Articles of Association of the Company.
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
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
EGM	December 12, 2015 at 10.30 AM	The Chancery Pavilion, 135, Residency Road, Bangalore – 560 025.	Approval to raise long term funds upto ₹1,500 Crore.

9.3 Postal Ballot/ E-voting

During FY 2017-18 the Company conducted Postal Ballot to seek the approval of the shareholders for the Composite Scheme of Arrangement between the Company, SeQuent Scientific Limited and Solara Active Pharma Sciences Limited and their respective shareholders and creditors as directed by the Tribunal.

Mr. Nilesh Shah, Practicing Company Secretary, was appointed as the Scrutiniser for carrying out the postal ballot process in a fair and transparent manner.

Notice of Postal Ballot was dated November 17, 2017 and the consolidated results of the same was announced on December 27, 2017.

No. of votes polled: 3,17,46,177
Votes cast in favour: 3,17,45,270 constituting 99.9971% of the votes polled
Votes cast against: 907 constituting 0.0029% of the votes polled

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

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

The Scrutiniser submits his report to the Chairperson, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairperson/ authorised officer. The results are also displayed on the Company website, www.strides.com, and also on the website of Karvy i.e., https://evoting.karvy.com, besides being communicated to BSE Limited and the National Stock Exchange of India Limited on which the shares of the Company are listed.

10 Shareholders' Communication

The Company recognises the importance of two-way communication with shareholders and giving a balanced report of results and progress 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.

10.1 Means of Communication

a) Quarterly, Half yearly and Annual financial results

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

Further, the quarterly, half yearly and annual results of the Company are also published in 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.strides.com.

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

b) Notice to shareholders relating to transfer of shares in respect of the dividends which has remained unpaid or unclaimed for seven consecutive years to the Investors Education and Protection Fund was published in Free Press Journal and in the local vernacular daily, Navshakti.

c) Notice of meeting of equity shareholders relating to demerger of Commodity API business of the Company was published in Free Press Journal and in the local vernacular daily, Navshakti.

d) 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.

e) NSE Electronic Application Processing System (NEAPS)
All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

f) BSE Corporate Compliance & Listing Centre (the 'Listing Centre')
All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

g) SEBI Complaints Redress System (SCORES)
SEBI administers a centralised 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 endeavours to resolve all investor complaints received through SCORES.

h) Website
The primary source of information regarding the operations of the Company is the corporate website: www.strides.com

It contains a separate dedicated section for 'Shareholders', 'Investors' and 'Media' where the latest and updated information about financials/ activities of the Company are available.

The website of the Company also displays official news releases and presentations made to the institutional investors and analysts from time to time.

i) 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.

11 General Shareholders Information

11.1 Annual General Meeting - 2018

Day/ Date	Monday, September 24, 2018
Time	1215 hrs
Venue	Hotel Four Points by Sheraton, Plot No. – 39/1, 6 to 15, Sector – 30A, Vashi, Navi Mumbai – 400 701
Date of Book closure	September 15, 2018 to September 24, 2018 (both days inclusive)

11.2 Financial Calendar for the Year 2018-19

Financial Reporting for Quarter/ Half Year ended	During
June 30, 2018	August, 2018
September 30, 2018	October, 2018
December 31, 2018	January, 2019
March 31, 2019	May, 2019

11.3 Dividend
The Board of Directors of the Company at their meeting held on May 18, 2018 had recommended a final dividend of ₹2/- per share on equity share of face value of ₹10/- each for the financial year ended March 31, 2018, subject to the approval of the shareholders at the ensuing Annual General Meeting.

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

The Company provides the facility of payment of dividend to the shareholders by directly crediting the dividend amount to the shareholder's bank account and by way of dividend warrants.

Members are requested to register and/or update their core banking details with the Company/ RTA/ Depository Participants, as the case may be, to enable credit of dividend to their bank accounts directly.

To prevent fraudulent encashment of dividend warrants, shareholders are requested to provide their bank account details (if not provided earlier) to the Company/its RTA (if shares held in physical form) or to DPs (if shares held in electronic form), as the case may be, for printing of the same on the dividend warrants.

11.4 Unclaimed Shares Suspense Account
Pursuant to Regulation 39(4) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Schedule VI of the said Regulations, the Company has dematerialised shares which have been returned undelivered by postal authorities and shares lying unclaimed. The dematerialised shares are held in an 'unclaimed suspense account' opened with Karvy Stock Broking Limited.

Any corporate benefits accruing on such shares, viz. bonus shares, split etc., shall also be credited to unclaimed suspense account, for a period of seven years and thereafter shall be transferred by the Company to IEPF, in accordance with provisions of Section 124(5) and (6) of the Companies Act, 2013 and rules made thereunder.

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

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	2,552	1,01,636
Shareholders who approached the Company for transfer of shares from suspense account during the year	17	1,580
Shareholders to whom shares were transferred from the suspense account during the year	17	1,580
Aggregate number of shareholders and shares which were transferred to IEPF as per the MCA Circular	1,342	28,831
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018	1,193	71,225

The voting rights on the shares outstanding in the suspense account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares.

11.6 Unpaid/ Unclaimed Dividends and Shares

In accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed/ claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid/ unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend/ shares are transferred to the IEPF Authority can claim their shares/ dividend from the Authority.

In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016/ Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹680,613/- of unpaid/ unclaimed dividends and 53,642 shares were transferred during the financial year 2017-18 to the Investor Education and Protection Fund.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 15, 2017 (date of last AGM) on the Company's website.

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

Financial Year Ending	Type of Dividend	Dividend Rate	Date of declaration	Due date for transfer to IEPF
December 31, 2011	Final	20%	May 25, 2012	June 30, 2019
December 31, 2012	Final	20%	June 10, 2013	July 16, 2020
March 31, 2014	Special	5000%	December 10, 2013	January 15 2021
	Final	50%	September 9, 2014	October 15, 2021
March 31, 2015	Special	1050%	October 7, 2014	November 12, 2021
	Final	30%	July 30, 2015	September 04, 2022
March 31, 2016	Final	40%	July 29, 2016	September 03, 2023
March 31, 2017	Final	45%	September 15, 2017	October 21, 2024
Fractional Shares Account*				
January 27, 2016	NA	NA	NA	March 03, 2023
Unclaimed Shares Suspense Account**				
August 17, 2016	NA	NA	NA	September 22, 2023

* Arising on account of sale of fractional shares pursuant to merger of Shasun with Strides.

**Pursuant to unclaimed shares considered into Suspense Account as per Listing Regulations.

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
March 31, 2011	Final	15%	July 29, 2011	September 03, 2018
March 31, 2012	Interim	100%	March 15, 2012	April 20, 2019
	Final	20%	August 02, 2012	September 07, 2019
March 31, 2013	Final	75%	August 02, 2013	September 07, 2020
March 31, 2014	Final	50%	August 06, 2015	September 11, 2021
March 31, 2016	Interim	50%	July 30, 2015	September 4, 2022

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

12 Listing on Stock Exchanges and Stock Codes

The equity shares of the Company is listed on BSE Limited and the National Stock Exchange of India Limited. The Company has paid listing fees to both the stock exchanges and there is no outstanding payment as on date of this report. Details of the scrip is as under:

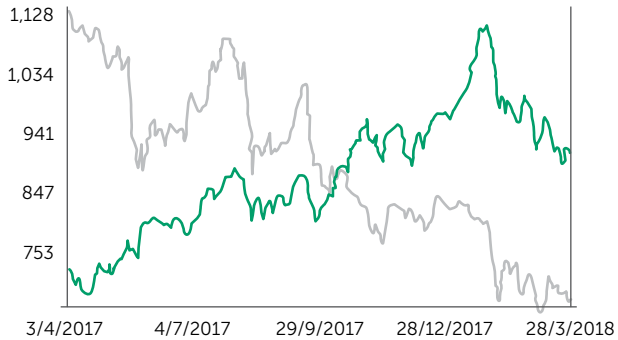
#	Name and Address of Stock Exchange	Security Listed	ISIN	Stock Code
1	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	Equity Shares	INE939A01011	532531
2	**The National Stock Exchange of India Limited** Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.		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

13 Market Price Data

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

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2017	1,147.00	1,055.65	3,438,896	1,147.85	1,056.30	325,698
May, 2017	1,098.80	848.00	7,152,532	1,089.50	848.50	854,628
June, 2017	1,008.90	900.10	6,058,245	1,008.00	903.05	981,773
July, 2017	1,102.20	963.35	4,327,068	1,101.65	965.30	489,660
August, 2017	1,074.60	865.05	5,042,995	1,075.80	865.20	561,700
September, 2017	1,041.10	864.60	9,140,983	1,040.80	866.00	721,188
October, 2017	905.00	802.00	16,363,910	899.90	802.55	3,030,017
November, 2017	841.15	752.30	12,157,754	840.75	754.00	1,102,637
December, 2017	855.95	769.00	10,291,289	855.20	768.20	2,524,571
January, 2018	838.65	757.50	59,65,784	838.90	757.60	488,592
February, 2018	768.00	641.95	91,10,495	766.65	640.65	1,320,285
March, 2018	728.00	652.00	66,18,351	728.25	651.25	499,312

Performance of Company's Share Price to Broad Based Index (BSE Sensex and NSE Nifty)





14 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. All queries and requests relating to share transfers/ transmission may be addressed to Karvy. The share transfers lodged are being processed on a day-to-day basis and Memorandum of Transfers is generated on a fortnightly basis.

15 Distribution of Shareholding as on March 31, 2018

Slab of Shareholding	No. of Shareholders	% to Total Number of Shareholders	No. of Shares	Amount (₹)	% to paid up capital
1 – 5,000	69,591	95.90	46,00,011	4,60,00,110	5.14
5,001 – 10,000	1,484	2.05	11,12,209	1,11,22,090	1.24
10,001-20,000	712	0.98	10,11,107	1,01,11,070	1.13
20,001-30,000	238	0.32	5,93,964	59,39,640	0.66
30,001-40,000	102	0.14	3,58,495	35,84,950	0.40
40,001-50,000	64	0.09	2,96,028	29,60,280	0.33
50,001-1,00,000	117	0.16	8,56,655	85,66,550	0.96
1,00,001 and above	258	0.36	8,06,71,566	80,67,15,660	90.14
Total	**72,566**	**100.00**	**8,95,00,035**	**89,50,00,350**	**100.00**

16 Shareholding Pattern as at March 31, 2018

#	Category	No. of shares held	% to total shareholding
1.	Indian Promoters	2,80,68,384	31.36
2.	Mutual Funds	1,66,58,405	18.61
3.	Banks, Indian Financial Institutions, Insurance Companies	6,43,206	0.72
4.	Foreign Institutional Investors/ Foreign Portfolio Investors	2,76,11,511	30.85
5.	Foreign Venture Capital Investors	5,64,306	0.63
6.	Bodies Corporate & NBFC	33,57,365	3.75
7.	Non-Resident Indians/ Foreign Nationals/Overseas Corporate Bodies	19,84,070	2.22
8.	Others (including Indian Public, Clearing Members, Trust, etc)	1,06,12,788	11.86
	Total	**8,95,00,035**	**100.00**

17 Dematerialisation of Shares & Liquidity

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

As at March 31, 2018, 99.80% of the paid-up share capital of the Company representing 89,319,533 shares has been dematerialised and balance 0.20% representing 180,502 shares of the Company is in physical form.

Updation of PAN and Bank Details of Shareholders

Pursuant to SEBI circular bearing reference SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, the Company through its Registrar and Transfer Agents has initiated collection of copies of PAN and bank account details of the shareholders holding shares in physical form.

In this connection, Company has sent reminders to shareholders holding shares in physical form, requesting them to register/ update their PAN and bank account details. For ease of shareholders and effective updation, Company has provided postage paid/ pre-paid Business Reply Envelopes (BRE).

SEBI restriction on transfer of physical shares

SEBI vide its Notification no. SEBI/ LAD-NRO/ GN/2018/24 has notified that with effect from December 5, 2018, except in case of transmission or transposition of securities, requests for effecting the transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Listing Regulations are appropriately amended to this effect.

In other words, there will not be any transfer of physical shares after December 5, 2018.

The said measure of SEBI is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors.

Shareholders who continue to hold shares in physical form are advised to dematerialise their shares at the earliest. For any clarification, assistance or information relating to dematerialisation of shares – members may contact the Company's RTA.

18 Employee Stock Options

Statement providing detailed information on stock options granted to Employees under the Company's Employee Stock Option Schemes as required under the SEBI Regulation is annexed to the Board's Report.

19 Manufacturing Facilities as at the date of this report

USFDA approved Formulations Facility

#	Type	Address	Other Approvals
1	Finished Dosage Facility	Strides Pharma Science Limited KRS Gardens, Suragajakkanahalli, Kasaba Hobli, Anekal Taluk, Bangalore – 562 106, India	MHRA, TGA, ANVISA, WHO
2	Finished Dosage Facility	Strides Pharma Science Limited PIMS Road, Periyakalapet Puducherry – 605 014, India	MHRA, ANVISA, PMDA
3	Finished Dosage Facility	Beltapharm SpA 20095 Cusano MIL Via Stelvio, 66, Italy	-
4	Finished Dosage Facility	Vivimed Life Sciences Private Limited Plot no. 101 to 108, SIDCO Industrial Estate, Alathur Village, Kancheepuram – 603 110, India	-
5	API Facility	Strides Chemicals Private Limited Plot no. N39/ N39-1, Additional MIDC, Anand Nagar, Ambernath (E), 421 506, Maharashtra, India	-

Facilities for Emerging Markets

#	Type	Address	Approvals
1	Finished Dosage Facility	Strides Emerging Markets Limited #19/1,19/3, Chandapura, Sarjapura Hobli, Anekal taluk, Bangalore -560 099, India	-
2	Finished Dosage Facility	Universal Corporation Limited Club Road, Past Post Office, Plot No. 13777, P.O.Box 1748- 00902, Kikuyu Town, Kenya	WHO

Note:

- API Facility of the Company at Ambernath is in the process of transfer to Solara Active Pharma Sciences Limited, pursuant to the approval received from the Shareholders of the Company on July 2, 2018.
- The Company has an upcoming manufacturing facility at Singapore, which is proposed to cater the Regulated Markets.

20 Investors Correspondence

Registered Office	Corporate Office	Registrars & Share Transfer Agents
No. 201, 'Devavrata' Sector 17, Vashi, Navi Mumbai - 400 703 Tel. No. +91-22-2789 2924 Fax No. +91-22-2789 2942	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@strides.com	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
Investor Relationship Team	**Compliance Officer**	**Contact Persons :**
Mr. Badree Komandur: +91 80 6784 0747 Mr. Sandeep Baid: +91 80 6784 0791	Ms. Manjula Ramamurthy Company Secretary Tel. No.: +91 80 6784 0734 Fax No. +91 80 6784 0800 e-mail id. : manjula.r@strides.com	Mr. S.V. Raju, Deputy General Manager/ Mr. Mohan Kumar A, Manager

The Company's designated email id for investor complaints is investors@strides.com

21 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 and Managing Director.

b) The Chairperson of the Company during the year under review was a Non-Executive Director. The Company had provided a separate office space for the Chairperson at the Corporate Office and the Chairperson was also allowed reimbursement of expenses incurred in performance of his duties.

c) 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.strides.com/investor-committeboard.html

Transactions with the related parties are disclosed in Note no. 45 to the standalone financial statements in the Annual Report.

d) The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on matters relating to capital markets during the last 3 years. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authorities relating to the above.

e) The Company has formulated a Whistle Blower Policy for Directors and Stakeholders of the Company. None of the personnel of the Company has been denied access to the Audit Committee.

f) The Company is not exposed to any commodity price risk. The details of the Foreign Exchange Risk and Company's hedging activities forms part of the Notes to the Financial Statements.

22 Code of Conduct

Board has adopted Code of Conduct ('Code') for all Board Members and Senior Management of the Company. A copy of the said Code is available on the website of the Company www.strides.com.

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

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

A declaration to this effect signed by the Managing Director of the Company is attached as Annexure.

For and on behalf of the Board of Directors

Date: August 8, 2018
Place: Bengaluru

Deepak Vaidya
Chairperson of the Board

Annexure to Report on Corporate Governance

for the financial year ended March 31, 2018

Declaration of Compliance with the Code of Conduct

I hereby confirm that:

the Company has obtained from all the members of the Board and Senior Management Personnel, affirmations that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2018.

Place: Bengaluru, India
Date: August 8, 2018

Arun Kumar
Group CEO and Managing Director

Independent auditor's certificate on Corporate Governance

To
The Members of **Strides Pharma Science Limited**

We have examined the compliance of conditions of Corporate Governance by Strides Pharma Science Limited *(formerly known as Strides Shasun Limited)* ('the Company'), for the year ended 31 March 2018, as per regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

Management's Responsibility

The Company's Management is responsible for compliance of conditions of Corporate Governance requirements as stipulated under the Listing Regulations. This responsibility includes the design, implementation and maintenance of corporate governance process relevant to the compliance of the conditions. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of Corporate Governance process suitable for ensuring compliance with the above mentioned Listing Regulations.

Auditor's Responsibility

Pursuant to the requirements of the above mentioned Listing Regulations, our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination of the corporate governance compliance by the Company as per the Guidance Note on Reports or Certificates for Special purposes (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as per regulations 17 to 27, clause (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V of the Listing Regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

This certificate has been solely issued for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573

Bengaluru
August 8, 2018

Annexure CG-1

Sl. No.	Name of the Director	Brief Profile	Other Directorships Held	Committee Membership
EXECUTIVE DIRECTORS				
1	Arun Kumar Group CEO & Managing Director (DIN: 00084845)	Mr. Arun Kumar is the Founder and Promoter Director of the Company and is a Board Member since its inception. He is currently the Group CEO & Managing Director. Arun founded Strides in the year 1990 and has since led the Company in building its global reputation. Post modest beginnings, Arun's leadership has ensured that Strides remains ahead of the curve in the business with its differentiated model, high end infrastructure and best in class operating practices. He has also been instrumental in carving a niche for Strides with his intellect of picking "difficult to operate" domains with high scarcity value. Arun graduated in Commerce, before founding Strides, he began his career in the exports department of Bombay Drug House Limited, one of the earliest exporters of pharmaceuticals products from India in the early 80s and was soon promoted to head their international division. He later worked as General Manager-Exports with British Pharmaceuticals Limited, a Mumbai based Company. Arun is a recipient of E&Y Entrepreneur of the year award in the Healthcare sector in 2000. He has also been awarded the Business Today "India Best CEO Award (Mid-Sized Companies Category)" and the "Best CEO in the Pharma & Healthcare Industry" in 2014. As at the date of this report, Arun holds 13,70,797 equity shares representing 1.53% directly and 1,78,99,619 equity shares representing 19.99% indirectly of the paid-up share capital of the Company and is not related to any other Director of the Company.	1. Clairvolex IP Solutions Private Limited (Formerly Clairvolex Knowledge Processes Private Limited) 2. Spire Technologies and Solutions Private Limited 3. Stelis Biopharma Private Limited 4. Skanray Healthcare Global Private Limited 5. Mobme Wireless Solutions Limited	- - 1. Audit Committee 2. Allotment Committee (Chairman) - 1. Audit Committee 2. Compensation Committee (Chairman) 3. Technologies Steering Committee
2	Badree Komandur Executive Director (DIN: 07803242)	Mr. Badree Komandur is the Executive Director - Finance and is associated with Strides since February 2010. Badree holds a degree in Commerce from the University of Madras and is a Member of the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and the Institute of Cost and Works Accountants of India. Prior to joining Strides, Badree had over 15 years of experience working in Information Technology and Engineering Sectors. As at the date of this report, Badree does not hold any equity shares in the Company and is not related to any other Director of the Company.	-	-

Sl. No.	Name of the Director	Brief Profile	Other Directorships Held	Committee Membership
NON-EXECUTIVE DIRECTOR				
3	Deepak Vaidya (DIN: 00337276)	Mr. Deepak Vaidya is the Non-Executive Director and Chairman of the Board & Stakeholder Relationship Committee. Deepak is associated with Strides since January 1998. Deepak holds a Bachelor's Degree in Commerce from Bombay University and is also a fellow member of the Institute of Chartered Accountants, England & Wales, UK. Deepak has over 30 years of experience in the corporate financial services industry in India and abroad. He was the Country Head of Schroder Capital Partners (Asia) Ltd in India for 12 years. Deepak is on the Board of various companies in Pharma, Service and Power sectors. He also served as a member of International Markets Advisory Board of the NASDAQ Stock Market. As at the date of this report, Deepak holds 1,77,000 equity shares representing 0.19% 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. Indraprastha Medical Corporation Limited	1. Audit Committee
			4. Marudhar Hotels Private Limited	-
			5. PPN Power Generating Company Private Limited	1. CSR Committee
			6. Suntec Business Solutions Private Limited	1. Audit Committee (Chairman)
			7. UTI Capital Private Limited	1. Audit Committee (Chairman) 2. Nomination & Remuneration Committee "
			8. Bombay Oxygen Corporation Limited	-
			9. Solara Active Pharma Sciences Limited	1. Audit Committee 2. Nomination & Remuneration Committee"
			10. Spandana Sphoorty Financial Limited	-
			11. Stelis Biopharma Private Limited	1. Audit Committee 2. Nomination & Remuneration Committee 3. Allotment Committee"

Sl. No.	Name of the Director	Brief Profile	Other Directorships Held	Committee Membership
INDEPENDENT DIRECTOR				
4	Sridhar S (DIN: 00004272)	Mr. Sridhar S is the Independent Director of the Company and is the Chairman of the Audit Committee. He is associated with Strides since July 2012. Sridhar 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 and Jamnalal Bajaj Institute of Management Studies, Mumbai. He also holds an honorary fellowship award by the Indian Institute of Banking and Finance. He was elected Fellow of the Royal Institute of Chartered Surveyors, U.K. Sridhar is a banker with over 45 years' experience in commercial and development banking. He is widely acknowledged to be an innovative, market-oriented banker and a strategic thinker having provided transformational leadership to the organisations he had worked for. Sridhar started his career with State Bank of India. He retired as the Chairman & Managing Director of Central Bank of India. He was also the Chairman & Managing Director of National Housing Bank (NHB). Sridhar was awarded the Lord Aldington Banking Research Fellowship for the year 1984 by the Indian Institute of Bankers. As at the date of this report, 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. DCB Bank Limited	1. Nomination & Remuneration Committee (Chairman) 2. CSR Committee
			2. GVFL Trustee Company Private Limited	-
			3. Incube Trustee Company Private Limited	-
			4. IIFL Home Finance Limited	1. Audit Committee (Chairman)
			5. Jubilant Life Sciences Limited	1. Audit Committee (Chairman) 2. Stakeholders Relationship Committee (Chairman)
			6. Sewa Grih Rin Limited	1. Audit Committee
			7. Shriram Transport Finance Company Limited	1. Audit Committee (Chairman) 2. IT Strategy Committee (Chairman)
			8. Strategic Research and Information Capital Services Private Limited	-
			9. Tourism Finance Corporation of India Limited	1. CSR Committee 2. Executive Committee (Chairman)
			10. National Securities Depository Limited	1. Audit Committee
			11. Universal Trustees Private Limited	-

Sl. No.	Name of the Director	Brief Profile	Other Directorships Held	Committee Membership
5	Bharat D Shah (DIN: 00136969)	Mr. Bharat D Shah is the Independent Director of the Company and Chairman of the Nomination and Remuneration Committee. Bharat is associated with Strides since July 2014. Bharat holds a Bachelor's degree in Science from University of Mumbai and a diploma in Applied Chemistry from Borough Polytechnic, London. Bharat has been one of the founder members of HDFC Bank Limited. He joined the bank as an Executive Director in December 1994 and has held the position of Head - Custody and Depository, Retail, HR, Private Banking, Infrastructure and Merchant services. Bharat is experienced in the fields of banking, finance and securities market. As at date, Bharat holds 55,000 equity shares representing 0.06% of the paid-up share capital of the Company.	1. Exide Industries Limited	1. CSR Committee (Chairman)
			2. HDFC Securities Limited	1. Nomination & Remuneration Committee 2. CSR Committee 3. Capex Committee 4. Share Allotment and Transfer Committee (Chairman)
			3. Hexaware Technologies Limited	1. Nomination & Remuneration Committee 2. CSR Committee (Chairman) 3. Strategy & Risk Committee
			4. Salisbury Investments Private Limited	-
			5. TATA Sky Limited	1. Audit Committee 2. Nomination & Remuneration Committee (Chairman)
			6. 3M India Limited	1. Audit Committee 2. Nomination & Remuneration Committee 3. CSR Committee (Chairman) 4. Stakeholders Relationship Committee (Chairman)
			7. Mahindra Lifespace Developers Limited	1. Audit Committee 2. Nomination & Remuneration Committee (Chairman)
			8. Digikredit Finance Private Limited (Formerly Amadeus Advisors Private Limited)	-
			9. Apollo Munich Health Insurance Company Limited	-
			10. Spandana Sphoorty Financial Limited	1. Audit Committee 2. Nomination & Remuneration Committee (Chairman) 3. Stakeholders Relationship Committee 4. Risk Management Committee (Chairman)

Sl. No.	Name of the Director	Brief Profile	Other Directorships Held	Committee Membership
6.	Sangita Reddy (DIN: 00006285)	Ms. Sangita Reddy is the Independent Director of the Company and is the Chairperson of the CSR Committee. Sangita is associated with the Company since February 2014. Sangita holds a Bachelor's degree in Science in Nutrition and Dietetics from the Women's Christian College, Chennai and has completed post-graduate and executive courses in Hospital Administration from Rutgers University and Harvard University in the U.S. and National University of Singapore in Singapore. She holds a Diploma in Financial Management from the Institute of Financial Management and Research. In 2017, Macquarie University conferred an honorary doctorate to Sangita in recognition of her untiring efforts and resolute commitment in bringing about transformative changes in Indian healthcare. Sangita has received the 'Young Manager of the Year 1998' Award from the Hyderabad Management Association and was awarded the 'Top Woman Entrepreneur in the Information and Communication Technology Sector' by the Government of Andhra Pradesh in 2005-06. She has also received several accolades which include the "Hyderabad women of the Decade achievers" award from ASSOCHAM and Ladies league for "Excellence in Business and Healthcare" As at the date of this report, 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 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 14. KAR Auto Private Limited 15. PCR Investments Limited	1. Audit Committee - 1. Investment Committee (Chairman) - 1. CSR Committee - - - - - - 1. CSR Committee -
7.	Homi Rustam Khusrokhan (DIN: 00005085)	Mr. Homi Khusrokhan is the Independent Director of the Company and is associated with the Company since May 2017. Homi is a qualified Chartered Accountant from ICAI since 1966. He studied at the Sydenham College of Commerce and Economics and obtained a B. Com (honours) from the University of Mumbai in 1963. He also holds an M.Sc. with Economics, Accounting and Finance from the London School of Economics and Political Science. Homi has over 40 years' experience in the corporate sector and a wide experience and knowledge in modern management and accounting techniques. He has experience and expertise in pharmaceuticals, agriculture related businesses, international business and mergers & acquisitions. Homi has earlier been the Managing Director of Tata Tea Limited, Tata Chemicals Limited and Glaxo & Burroughs Wellcome in India and also served as a Director of LIC Mutual Fund Trustee Private Limited. He was also an Independent Director on the Board of ICICI Bank Limited. Homi retired from the Tata Group in 2008 and is now a Senior Advisor to Tata Capital's Private Equity Funds. He is also on the Board of The Anglo Scottish Education Society. As at the date of this report Homi does not hold any equity shares in the Company and is not related to any other Director of the Company	1. Novalead Pharma Private Limited 2. Samson Maritime Limited	- 1. Audit Committee (Chairman) 2. CSR Committee 3. Remuneration & Nominations Committee (Chairman)

Business Responsibility Report

SECTION A: General Information About The Company

#	Description	
1.	Corporate Identity Number (CIN) of the Company	L24230MH1990PLC057062
2.	Name of the Company	Strides Pharma Science Limited (Formerly Strides Shasun Limited)
3.	Registered Address	201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400 703.
4.	Website	www.strides.com
5.	E-mail id	investors@strides.com
6.	Financial Year reported	2017-18
7.	Sector that the Company is engaged in (industrial activity code-wise)	Pharmaceutical
8.	List three key products/services that the Company manufacture/ provide (as in balance sheet)	1. LNZ Tablets 2. Ranitidine Tablets 3. Combiart Tablets
9.	Total number of locations where business activity is undertaken by the Company	
	Number of international locations	Singapore, Australia, USA, Europe, Africa
		• Two manufacturing facilities - one in Europe and one in Africa
		• One upcoming facility in Singapore, which is proposed to cater Regulated Markets
	Number of national locations	**Registered Office:** Vashi, Navi Mumbai, Maharashtra
		Corporate Office: Bangalore, Karnataka
		Facilities:
		• Suragajakkanahalli, Bangalore, Karnataka
		• Chandapura, Bangalore, Karnataka
		• PIMS Road, Periyakalapet, Puducherry
		• Alathur, Kancheepuram
		• Ambarnath, Mumbai*
		R&D Center at Bangalore, Karnataka
10.	Markets served by the Company – Local/State/National/ International	The Company has a strong commercial footprint across 100 countries.

* API facility of the Company at Ambernath is in process of transfer to Solara Active Pharma Sciences Limited, pursuant to the approval received from the shareholders of the Company on July 2, 2018.

SECTION B: Financial Details of the Company

#	Description	
1.	Paid-Up Capital – FY 2017-18	₹89.548 Crore
2.	Total Turnover	₹1,625.81 Crore
3.	Total profit after taxes	₹891.59 Crore
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 5.

SECTION C: Other Details

#	Description	
1.	Does the Company have any Subsidiary company/companies?	The Company has 60 subsidiaries, JVs and Associates in India and overseas, a 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/ companies	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, among others) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	In due course, the Company intends to extend its sustainability policies and initiatives beyond its boundaries and spread awareness among its several stakeholders.

SECTION D: BR Information

1. Details of Director/Directors responsible for BR

a. Details of the Director/Directors responsible for the implementation of the BR policy/policies for FY 2017-18

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

Note: Pursuant to resignation of Mr. Shashank Sinha on May 18, 2018, Mr. Badree Komandur has been appointed as the Director responsible for the Business Responsibility Report.

b. Details of the BR head

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

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

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

#	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for...?	Y	Y	Y	Y	Y	Y	NA	Y	Y
2.	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	The policies are drafted in line with the provisions of the respective laws prevalent in India.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	The policies are approved by the functional heads, 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.strides.com/investor-committeboard.html								

#	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?					Yes				
8.	Does the Company have in-house structure to implement the policy/policies?					Yes				
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?					Yes				
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?					No				

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

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

2. Governance related to BR

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

SECTION E: Principle-wise Performance

Principle 1: //

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

Strides is a global pharmaceutical Company headquartered in Bangalore, India. The Company has two business verticals, viz., Regulated Markets and Emerging Markets

As at the date of the report, the Company has global manufacturing foot print with seven manufacturing facilities spread across three continents including five US FDA approved facilities and two facilities for the emerging markets. The Company has a dedicated R&D facility in India with global filing capabilities and a strong commercial footprint across 100 countries.

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

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

Principle 2: //

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

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

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

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

i) Virso (Sofosbuvir tablet) for Hepatitis C treatment

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

iii) Nuprin Plus (combination of Dexibuprofen and Paracetamol tablet) for moderate to severe pain management

iv) Starflu (Oseltamivir Capsules) for swine flu management

v) Nixit (Nicotine Lozenges) for nicotine replacement therapy

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 2017-18

S. No.	Type of Products Manufactured	Units	Quantity Produced
1.	Oral Dosage	Tonne	2,403.78
2.	Active Pharmaceutical Ingredients	Tonne	7,695.44

Resource Consumption Details – FY 2017-18

S. No.	Type of Resource Utilised	Units	Consumption
1.	Water	KL	3,53,281.25
2.	Electricity	kWh/Annum	8,59,10,192
3.	Fuel		
	a) HSD	KL	1,176.57
	b) FO	KL	1,242.49
	c) Briquette	Tonne	29,821.67

Sustainable sourcing
We address elements of sustainable sourcing like ethics, labour and human rights, wages and benefits, health and safety and the environment in the purchase/service orders released to our vendors and suppliers. While we are in the process of developing a well-defined 'Supplier Code of Conduct' with an endeavour to integrate sustainability in our procurement process for all our products and services, we do conduct audit and due diligence prior to sourcing of materials/availing services from the vendors. The sourced products are submitted for approval with the regulatory authorities and post their approval, such materials are used in our final products.

Sourcing from local and small producers
The Company procures goods from local and small producers, who comply with its quality requirements. We follow required statutory obligation to meet sustainability with the micro, small and medium enterprises.

Our supply chain strategy management of the Company believes in facilitating local economic growth by encouraging and supporting local suppliers in the vicinity of our area of operation. Local sourcing also helps us in reducing air emissions from vehicular movement.

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

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

We have also taken steps towards effective treatment of the process generated wastewater. The process water is treated in the wastewater treatment plant and reused for gardens/ lawns inside the plant premises across all sites in India. In FY 2017-18, we treated 1,56,247 KL of wastewater.

Principle 3: //

Businesses should promote the well-being of all employees

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

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

Some of the illustrations of workplace wellness in the organisation include allowing flexi-time for exercise, medical insurance, flexi times/work from home, maternal leave, paternal leave and employee wellness programme – 'We Care'. The Company follows a wellness calendar as a part of the employee welfare programme.

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

The Company's health and safety approach include:

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

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

Some of the other available employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits – mediclaim insurance policy, group term life policy, group accident policy, maternity leave and paternity & adoption leave policy.

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

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

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

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

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

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

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

Strides Workforce Details – FY 2017-18

S. No.	Type of Resource Utilised	Number of Employees
1.	Permanent employees	2,507
2.	Permanent women employees	298
3.	Permanent employees with disabilities	Nil
4.	Temporary/contractual employees	865

Continuous learning
We facilitate both internal and external training 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 and Acharya Institute of Pharmacy.

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

Some of our key programmes are listed below:

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

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

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

We strive to do its best to keep our employees happy and motivated through our rewards and recognition system, which is one of the factors for the organisational success. Some of our recognition programmes include:



Strides Learning & Development – FY 2017-18

S. No.	Category	Number of Employees	Percentage of Employees
1.	Employees provided with skill upgradation training	1,597	70%
2.	Employees received performance or career development reviews	1,700	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 labour, forced labour, involuntary labour, sexual harassment/ discriminatory employment

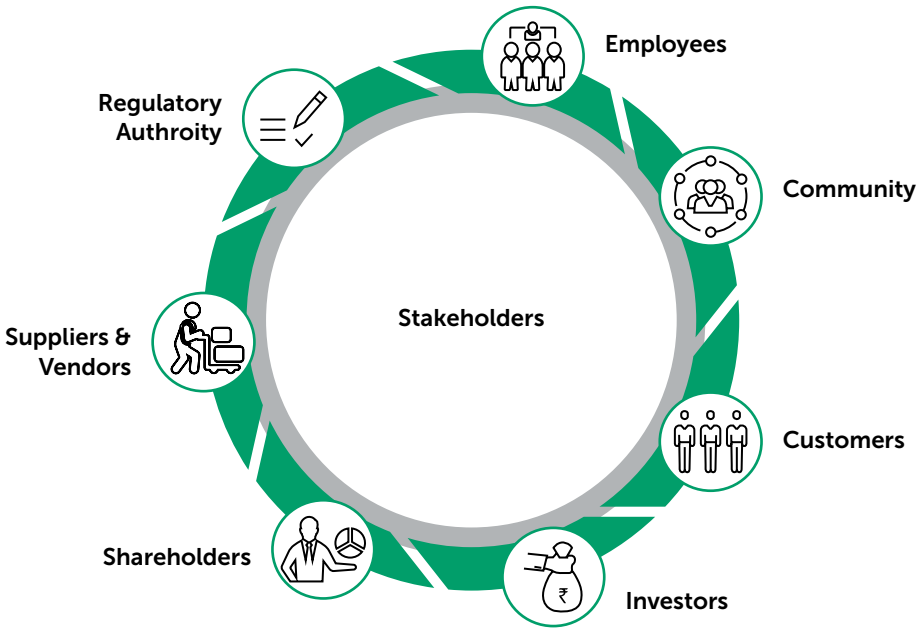
We believe that the success of a responsible organisation rests on the foundation of ethics and respect for human rights. We follow the best international practices, which ensure the freedom of association, prohibition of child labour, protection of indigenous rights and prohibition of forced and compulsory labour. In the reporting period FY 2017-18, we did not receive any complaint relating to child labour, forced labour, involuntary labour or discriminatory employment. During the year, the Company received two complaints in relation to sexual harassment both of which were disposed off.

Principle 4: //

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

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

Internal and external stakeholders
We have mapped our internal and external stakeholders based on our 'shareholder and stakeholders communication' strategy.



A detailed report on the CSR activities of the Company is annexed to the Board's Report as Annexure 5.

Principle 5: //

Businesses should respect and promote human rights
As a responsible organisation, the Company respects human rights at the work place and endeavour to adopt best international practices, which ensure the freedom of association, prohibition of child labour, protection of indigenous rights and prohibition of forced and compulsory labour.

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

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

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

While the Code of Conduct covers employees of the organisation, we are working towards evolving the Code of Conduct in line with the requirements of the prescribed principle and International Labour 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 organisation, it is our responsibility to ensure that all our business practices are carried out in a way that causes minimal impact on the environment. Our policy on 'Environment, Health & Safety' (EHS) provides us the necessary direction towards climate change mitigation and adaptation efforts, as well as natural resource replenishment initiatives.

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

We understand that global warming has relevance on our business and the markets that we serve. We try to address this issue through our Environment, Health & Safety policy and have taken various initiatives through its Environmental

Management System. It is in the process of initiating specific business level strategies to address global warming and climate change.

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

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

Initiatives undertaken on clean technology, energy efficiency, renewable energy

Clean technology	Energy efficiency	Renewable energy
We have installed high efficiency water chillers with screw compressors and ecofriendly R – 134a refrigerant installed for processing cooling application resulted in power savings of 5,89,750 KWH per year.	58,260 KL of water recycled from steam condensate and reused for steam generation across all sites.	6,795 MT CO2 emissions reduction achieved by utilisation of 12.82 MU renewable energy across all sites.
8,717 KL rain water collected and recharged to improve the ground water table across all sites.	Replacement of TFL/CFL/SVL with energy efficient LED lights resulted in saving of about 4,80,370 KWH across all sites.	Utilised Indian Energy Exchange and Power Exchange of India as alternate energy sources and consumed 9.17 MU across all sites in India.
1,87,300 KL of process water treated by waste water treatment plants and reused for garden/lawn inside the plant premises across all sites in India.	589750 KWH per year energy savings achieved by installing high efficiency water chillers with screw compressors at our cuddalore unit for process cooling application.	

Compliance to CPCB/SPCB norms in relation to emission/waste generated by the Company
Emission are monitored by Pollution Control Board (PCB) authorised laboratories and periodical emission test reports are submitted to regulatory authorities. The generated stack emissions and ambient air quality are well within the limits as defined by Central Pollution Control Board/ State Pollution Control Board.

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

Principle 7: //

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

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

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

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

Principle 8: //

Businesses should support inclusive growth and equitable development
The Company always strive to secure the interests of all our stakeholders along with the healthy growth of the Company. At Strides, community development programmes 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 programmes for the underprivileged, surrounding our area of operation.

The Company have developed and implemented the CSR policy which encompasses our philosophy toward CSR and lays down guidelines and mechanisms for undertaking socially beneficial programmes for welfare and sustainable development of the community at large.

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

We have implemented the CSR programmes through our unit CSR Team and CSR advisory committee along with Strides Foundation and external NGOs, to contribute to different sections of society. Projects to promote

the wellbeing of the society has been developed post a comprehensive Community Need Analysis. Our focus areas are:

a. Promoting hygiene and healthcare

b. Promoting education and Employability

A detailed report on CSR initiatives and the amount spent during the period under review forms part of the Board's Report as Annexure 5.

Impact assessment
We intend to carry out a formal structured impact assessment of our various CSR programmes in FY 2019 since all our major CSR projects in the spheres of healthcare, education and livelihood were commissioned only 2 years back.

Our focus for Community development being Health & Hygiene and Education, our initiatives have been around providing:

- preventive, promotive and curative healthcare at our Speciality healthcare centre – Arogyadhama at Suragajakkanahalli village panchayat,
- safe drinking water, supporting the community in Puducherry and Cuddalore
- good healthcare, creating awareness through health camps etc., building awareness on health and hygiene, providing infrastructure and also empowering children to learn better and equip themselves for a better future.

Arogyadhama caters to over 12,000 population in 10 villages giving the best of facilities. Over 9,000 people were benefitted in 2017-18.

In our efforts to provide safe drinking water and to improve the quality of living of people, new RO water units have been installed at Siddanapalya and Medahally, in Suragajakkanahalli panchayat, and at Puducherry, majorly at Kalapet.

On Employability front, the Employment Empowerment Programme initiative in partnership with Swami Vivekananda Rural Community College (SVRCC), has upskilled 100 youths of our neighboring villages and they are ready to be employed. Owing to the success of the first batch, we have initiated the process to upskill the next set of rural youths.

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 exams.

Similarly, Life Skills are imparted to get the young students future ready.

In line with our focus to provide better quality of education to children by improving the infrastructure of the schools, 2 classrooms along with a stage is being constructed at Lakshmipura School, Indlawadi Panchayat. About 57 students will be benefitted with this initiative.

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 is committed to reducing risks. This is ensured by making factual disclosure of information during labelling and branding of our products. As a company, we are strongly connected with our customers. By understanding their needs, expectations and priorities, we are better equipped to develop products that offer great value.

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

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

Customer Complaints – FY 2017-18

S. No.	Category	Number of Complaints Received	Number of Complaints Closed	Number of complaints pending	% of Complaints/ Cases Pending
1.	Customer Complaints	319	296	26	8.0%
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 basic knowledge about the science behind the various ingredients added in different products. We also provide information on the composition of each ingredient in volume and percentage in the product. Storage Instructions and cautionary notes are also provided wherever required.

Date: August 8, 2018
Place: Bengaluru

Badree Komandur
Executive Director - Finance

Ramaraju P.V.S
Chief Operations Officer

Independent Auditor's Report

To the Members of Strides Shasun Limited

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Strides Shasun Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the

accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group and its associates and joint ventures to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 2 (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on the other financial information of the subsidiaries read with the note on accounting for Demerger as described in sub-paragraph (2) of the Emphasis of Matter paragraph below, 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 31 March 2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Emphasis of matter

1. We draw attention to Note 39.2 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 Group had disputed. As 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. As further explained in the aforesaid 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.

2. We draw attention to Note 39.1.1 to the consolidated financial statements regarding the Demerger Scheme (Scheme) which has been approved by National Company Law Tribunal (NCLT) vide its order dated 9 March 2018 and filed with the Registrar of Companies on 31 March 2018. In accordance with the Scheme approved by NCLT, the Group has given effect to the Scheme from the appointed date specified therein i.e. 1 October 2017 instead of the effective date.

Our opinion is not modified in respect of these matters.

Other Matters

1. The comparative financial information of the Group, its associates and joint ventures for the year ended 31 March 2017 prepared in accordance with Ind AS included in these consolidated financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the predecessor auditor on the comparative financial information dated 18 May 2017 expressed an unmodified opinion.

2. (a) We did not audit the financial information of 13 subsidiaries, whose financial information reflect total assets of ₹55,049 million as at 31 March 2018, total revenues of ₹17,716 million and net cash outflows amounting to ₹304 million for the year ended on that date, as considered in the consolidated financial statements. These financial information 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 are based solely on the reports of the other auditors.

(b) We did not audit the financial information of 44 subsidiaries, whose financial information reflect total assets of ₹23,732 million as at 31 March 2018, total revenues of ₹2,009 million and net cash outflows amounting to ₹377 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 loss of ₹168 million for the year ended 31 March 2018, as considered in the consolidated financial statements, in respect of 11 associates and joint ventures whose financial information have not been audited by us. 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, associates and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, 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 above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on the other financial information of subsidiaries, as noted in the Note 2 (a) of the 'other matters' paragraph, we report, to the extent applicable, that:

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

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

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, 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 39.1.1 therein and sub-paragraph (2) of the Emphasis of Matter paragraph above, comply with the Indian Accounting Standards specified under section 133 of the Act.

e) In our opinion, any unfavourable outcome with regard to the matter referred to in Note 39.2 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 Company.

f) On the basis of the written representations received from the directors of the Holding Company, its subsidiary companies and associate companies as on 31 March 2018 taken on record by the Board of Directors of the respective companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is

disqualified as on 31 March 2018 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 with reference to financial statements of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the other financial information of the subsidiaries, as noted in the Note 2 (a) of the 'other matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 39.2.2 and 41 to the consolidated financial statements;

ii. The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018. Refer Note 57 to the consolidated financial statements;

iii. a) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company of the accompanying consolidated Ind AS financial statements.

b) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the subsidiary companies and associate companies incorporated in India.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited consolidated financial statements for the year ended 31 March 2017 have been disclosed.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573

Bengaluru, May 18, 2018

Annexure A to the Independent Auditor's Report of even date on the consolidated financial statements of Strides Shasun Limited ("the Holding Company")

Report on the Internal Financial Controls with reference to consolidated Ind AS financial statements 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 Ind AS financial statements of the Holding Company as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to the financial statements of the Holding Company and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to the financial statements criteria established by the Holding Company considering the essential components of internal controls 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, 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 with reference to the financial statements 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 Group's and its associate companies internal financial controls system with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the financial Statements

A company's internal financial controls with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the financial statements includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial controls with reference to the financial statements 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, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to the financial statements criteria established by the Holding Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573

Bengaluru, May 18, 2018

Consolidated Balance Sheet

As at March 31, 2018

₹ in Million

		Note No.	March 31, 2018	March 31, 2017
A	**ASSETS**			
I	**Non-current assets**			
(a)	Property, plant and equipment	4	6,648.06	9,783.00
(b)	Capital work-in-progress		3,220.09	2,045.00
(c)	Investment property	5	735.78	705.97
(d)	Goodwill	6	9,147.09	9,616.24
(e)	Other intangible assets	7	11,555.00	9,691.10
(f)	Intangible assets under development		2,982.79	5,756.79
(g)	Investment in associates and joint ventures	8(i)	2,663.60	2,135.63
(h)	Financial assets			
	(i) Investments	8(ii)	101.41	315.02
	(ii) Loans	9(i)	624.61	575.41
	(iii) Other financial assets	10(i)	16.29	-
(i)	Deferred tax assets (net)	11	1,268.32	701.15
(j)	Income tax assets (net)	12	1,198.29	1,212.24
(k)	Other non-current assets	13(i)	440.20	594.05
	Total non-current assets		40,601.53	43,131.60
II	**Current assets**			
(a)	Inventories	14	5,520.24	7,328.00
(b)	Financial assets			
	(i) Investments	8(iii)	3,114.79	12,795.38
	(ii) Trade receivables	15	8,821.78	9,959.13
	(iii) Cash and cash equivalents	16	2,561.62	3,223.27
	(iv) Other balances with banks	17	471.64	71.49
	(v) Loans	9(ii)	290.70	72.35
	(vi) Other financial assets	10(ii)	348.18	1,264.93
(c)	Other current assets	13(ii)	3,336.35	3,203.65
			24,465.30	37,918.20
(d)	Assets classified as held for sale	39.4	370.61	-
	Total current assets		24,835.91	37,918.20
	TOTAL ASSETS		65,437.44	81,049.80
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
(a)	Equity share capital	18	895.00	894.23
(b)	Other equity	19	23,650.61	26,594.00
	Equity attributable to equity holders of the Company		24,545.61	27,488.23
	Non- controlling interests	20	1,546.48	1,335.01
	Total Equity		26,092.09	28,823.24
II	**Liabilities**			
1	Non-current liabilities			
(a)	Financial liabilities			
	(i) Borrowings	21(i)	15,513.23	16,377.09
	(ii) Other financial liabilities	22(i)	3,924.06	3,918.08
(b)	Provisions	23(i)	165.52	251.93
(c)	Deferred tax liabilities (net)	11	653.25	585.80
(d)	Other non-current liabilities	24(i)	96.26	54.97
	Total non-current liabilities		20,352.32	21,187.87
2	Current liabilities			
(a)	Financial liabilities			
	(i) Borrowings	21(ii)	9,443.94	13,939.56
	(ii) Trade payables	25	7,120.69	7,740.94
	(iii) Other financial liabilities	22(ii)	590.57	7,447.47
(b)	Provisions	23(ii)	570.13	466.62
(c)	Current tax liabilities (net)	26	558.44	700.73
(d)	Other current liabilities	24(ii)	677.91	743.37
			18,961.68	31,038.69
(e)	Liabilities directly associated with assets classified as held for sale	39.4	31.35	-
	Total current liabilities		18,993.03	31,038.69
	Total liabilities		39,345.35	52,226.56
	TOTAL EQUITY AND LIABILITIES		65,437.44	81,049.80

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
Bengaluru, May 18, 2018

for and on behalf of Board of Directors of Strides Shasun Limited

Shashank Sinha
Managing Director
DIN: 02544431

Badree Komandur
Executive Director - Finance
DIN: 07803242

Manjula R.
Company Secretary
Membership Number: A30515

Consolidated Statement of Profit and Loss

For the year ended March 31, 2018

₹ in Million

		Note No.	March 31, 2018	March 31, 2017
A.	**Continuing operations:**			
I	Revenue from operations	27	28,393.78	27,554.43
II	Other income	28	940.57	1,610.79
III	**Total Income (I+II)**		29,334.35	29,165.22
IV	**Expenses**			
	(a) Cost of materials consumed		8,474.99	8,102.61
	(b) Purchases of stock-in-trade		4,391.50	6,219.85
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	921.86	(1,510.77)
	(d) Employee benefits expense	30	4,340.51	4,191.58
	(e) Finance costs	31	1,962.43	1,831.03
	(f) Depreciation and amortisation expense	32	1,540.35	1,261.51
	(g) Other expenses	33	6,299.47	5,277.62
	Total Expenses (IV)		27,931.11	25,373.43
V	**Profit before exceptional items and tax (III - IV)**		1,403.24	3,791.79
VI	Exceptional items gain / (loss) net	34	(435.78)	(364.28)
VII	**Profit before tax (V + VI)**		967.46	3,427.51
VIII	Share of profit / (loss) of joint ventures and associates		(167.99)	3.64
IX	**Profit before tax (VII + VIII)**		799.47	3,431.15
X	**Tax expense:**	35		
	(a) Current tax		485.12	478.13
	(b) Deferred tax		(387.79)	155.92
	Total tax expense (X)		97.33	634.05
XI	**Profit after tax from continuing operations (IX - X)**		702.14	2,797.10
B.	**Discontinued operations**	39		
	(i) Profit / (Loss) from discontinued operations		(844.59)	(645.17)
	(ii) Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)		7,103.09	2,185.41
	(iii) Tax expense of discontinued operations		157.27	(122.13)
XII	**Profit/(loss) after tax from discontinued operations**		6,101.23	1,662.37
XIII	**Profit for the year (XI + XII)**		6,803.37	4,459.47
XIV	**Other comprehensive income**	36		
A	(i) Items that will not be reclassified to profit or loss		(202.85)	(259.28)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.46	49.82
B	(i) Items that may be reclassified to profit or loss		(61.93)	(163.94)
	(ii) Income tax relating to items that may be reclassified to profit or loss		104.05	(69.42)
	Total other comprehensive income for the year, net of tax (XIV)		(160.27)	(442.82)
XV	**Total comprehensive income for the year (XIII + XIV)**		6,643.10	4,016.65
	Profit for the period attributable to:			
	- Owners of the Company		6,604.69	3,997.49
	- Non-controlling interests		198.68	461.98
			6,803.37	4,459.47
	Other comprehensive income for the year			
	- Owners of the Company		(155.14)	(442.03)
	- Non-controlling interests		(5.13)	(0.79)
			(160.27)	(442.82)
	Total comprehensive income for the year			
	- Owners of the Company		6,449.55	3,555.46
	- Non-controlling interests		193.55	461.19
			6,643.10	4,016.65
	Earnings per equity share (of ₹10/- each) (for continuing operations):	48		
	(1) Basic		5.63	26.13
	(2) Diluted		5.62	26.08
	Earnings per equity share (of ₹10/- each) (for discontinued operations):	48		
	(1) Basic		68.18	18.60
	(2) Diluted		68.16	18.56
	Earnings per equity share (of ₹10/- each) (for discontinued and continuing operations):	48		
	(1) Basic		73.81	44.73
	(2) Diluted		73.78	44.64

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

for and on behalf of Board of Directors of Strides Shasun Limited

Shashank Sinha
Managing Director
DIN: 02544431

Badree Komandur
Executive Director - Finance
DIN: 07803242

Sampad Guha Thakurta
Partner
Membership Number: 060573
Bengaluru, May 18, 2018

Manjula R.
Company Secretary
Membership Number: A30515

Consolidated Statement of Changes in Equity

For the years ended March 31, 2018 and March 31, 2017

A) Equity share capital

₹ in Million

Particulars	Notes	Amount
Balance as at April 1, 2016		893.46
Changes in equity share capital during the year		
Shares issued pursuant to exercise of stock options	44	0.77
Balance as at March 31, 2017		894.23
Changes in equity share capital during the year		
Shares issued pursuant to exercise of stock options	44	0.77
Balance as at March 31, 2018		895.00

B) Other equity

₹ in Million

Particulars	Notes	Reserves and Surplus									Items of other comprehensive income				Equity attributable to owners of the Company	Non- controlling interests	Total
		Share application money pending allotment	Capital reserve	Capital reserve on consolidation	Securities premium reserve	Capital redemption reserve	Share options outstanding account	Equity for gross obligation liability	General reserve	Retained earnings	FVOCI equity investments reserve	Cash flow hedging reserve	Foreign currency translation reserve	Remeasurement of the defined benefit liabilities / (asset)			
Balance as at April 1, 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)	25,685.21	502.11	26,187.32
Profit for the year		-	-	-	-	-	-	-	-	3,997.49	-	-	-	-	3,997.49	461.98	4,459.47
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	461.19	4,016.65
Pursuant to business combinations	38	-	-	-	-	-	-	(2,494.73)	-	-	-	-	-	-	(2,494.73)	457.97	(2,036.76)
Settlement of unexercised put option	39	-	-	-	-	-	-	183.07	-	-	-	-	-	-	183.07	-	183.07
Pursuant to disposal of subsidiaries	39	-	-	(0.23)		-	-	-	-	-	-	-	-	-	(0.23)	(256.96)	(257.19)
Pursuant to investment in subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	131.55	131.55
Dividend (including tax on dividend)		-	-	-	-	-	-	-	-	(450.75)	-	-	-	-	(450.75)	-	(450.75)
Premium received on shares issued		-	-	-	33.08	-	-	-	-	-	-	-	-	-	33.08	-	33.08
Transferred to securities premium account on exercise of ESOPs	44	-	-	-	23.89	-	(23.89)	-	-	-	-	-	-	-	-	-	-
Employee stock compensation expenses	44	-	-	-	-	-	54.72	-	-	-	-	-	-	-	54.72	-	54.72
Pursuant to exchange movement		-	-	-	-	-	-	28.17	-	-	-	-	-	-	28.17	39.15	67.32
Balance as at March 31, 2017		-	438.97	-	18,879.22	601.61	88.54	(3,754.76)	3,970.93	2,184.74	(410.60)	222.63	4,469.91	(97.19)	26,594.00	1,335.01	27,929.01
Profit for the year		-	-	-	-	-	-	-	-	6,604.69	-	-	-	-	6,604.69	198.68	6,803.37
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	-	-	(201.45)	(196.60)	243.85	(0.94)	(155.14)	(5.13)	(160.27)
Total comprehensive income		-	-	-	-	-	-	-	-	6,604.69	(201.45)	(196.60)	243.85	(0.94)	6,449.55	193.55	6,643.10

Consolidated Statement of Changes in Equity

For the years ended March 31, 2018 and March 31, 2017

₹ in Million

Particulars	Notes	Share application money pending allotment	Reserves and Surplus								Items of other comprehensive income				Equity attributable to owners of the Company	Non- controlling interests	Total
			Capital reserve	Capital reserve on consolidation	Securities premium reserve	Capital redemption reserve	Share options outstanding account	Equity for gross obligation liability	General reserve	Retained earnings	FVOCI equity investments reserve	Cash flow hedging reserve	Foreign currency translation reserve	Remeasurement of the defined benefit liabilities / (asset)			
Pursuant to business combinations	38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	218.59	218.59
Pursuant to disposal of subsidiaries	39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(28.17)	(28.17)
Pursuant to acquisition of non-controlling interest in subsidiary	38	-	(103.45)	-	-	-	-	-	-	-	-	-	-	-	(103.45)	(145.32)	(248.77)
Pursuant to allotment of shares to non-controlling interest		-	144.63	-	-	-	-	-	-	-	-	-	-	-	144.63	2.60	147.23
Dividend (including tax on dividend)		-	-	-	-	-	-	-	-	(487.98)	-	-	-	-	(487.98)	-	(487.98)
Share application money received (net)		1.44	-	-	-	-	-	-	-	-	-	-	-	-	1.44	-	1.44
Adjustment pursuant to the scheme of demerger	39.1	-	-	-	(1,971.57)	-	-	-	-	(7,038.43)	-	-	-	-	(9,010.00)	-	(9,010.00)
Premium received on shares issued		-	-	-	34.10	-	-	-	-	-	-	-	-	-	34.10	-	34.10
Transferred to securities premium account on exercise of ESOPs	44	-	-	-	27.68	-	(27.68)	-	-	-	-	-	-	-	-	-	-
Employee stock compensation expenses (including expenses pertaining to discontinued operations)	44	-	-	-	-	-	28.32	-	-	-	-	-	-	-	28.32	-	28.32
Pursuant to exchange movement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(29.78)	(29.78)
Balance as at March 31, 2018		1.44	480.15	-	16,969.43	601.61	89.18	(3,754.76)	3,970.93	1,263.02	(612.05)	26.03	4,713.76	(98.13)	23,650.61	1,546.48	25,197.09

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

for and on behalf of Board of Directors of Strides Shasun Limited

Shashank Sinha
Managing Director
DIN: 02544431

Badree Komandur
Executive Director - Finance
DIN: 07803242

Sampad Guha Thakurta
Partner
Membership Number: 060573
Bengaluru, May 18, 2018

Manjula R.
Company Secretary
Membership Number: A30515

Consolidated Statement of Cash flows

For the year ended March 31, 2018

₹ in Million

		March 31, 2018	March 31, 2017
Cash flow from operating activities			
Profit before tax from:			
Continuing operations		799.47	3,431.15
Discontinued operations		6,258.50	1,540.24
		7,057.97	4,971.39
Adjustments for:			
- Depreciation and amortisation expense		1,939.26	1,986.94
- Share of profit / (loss) of joint ventures and associates		167.99	(3.64)
- Profit on sale of property, plant and equipment and other intangible assets (net)		(68.05)	(13.98)
- Share based compensation expense		24.52	54.71
- Unwinding of discount on gross obligations over written put options to NCI		99.06	118.81
- Unwinding of discount on contingent consideration payable		2.22	-
- Fair valuation of derivative instruments		(2.14)	63.23
- Interest expense on borrowings		2,366.03	2,348.89
- Interest on delayed payment of Income tax		0.03	-
- Interest and dividend income		(538.79)	(827.82)
- Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net) (Refer note 39)		(7,103.09)	(2,185.41)
- Rental income from investment property		(109.13)	(59.94)
- Discounting of lease security deposits received		2.46	2.26
- Liability / provision no longer required written back		(0.03)	(266.77)
- Bad debts written off / provision for doubtful trade and other receivables		36.66	6.04
- Impairment of goodwill		14.12	79.38
- Business combination and restructuring expense		-	234.25
- Write down of inventory and other assets		157.35	745.85
- Recovery of loans & advances written off in earlier years		-	2.86
- Net unrealised exchange loss / (gain)		266.44	(376.47)
Operating profit before working capital changes		4,312.88	6,880.58
Changes in working capital			
(Increase) in trade and other receivables		(2,742.50)	(1,763.70)
Decrease / (increase) in inventories		840.86	(2,230.11)
(Decrease) / increase in trade and other payables		(4.96)	580.81
Net change in working capital		(1,906.60)	(3,413.00)
Cash generated from operations		2,406.28	3,467.58
Income taxes paid		(535.62)	(586.16)
Net cash flow generated from operating activities	**A**	1,870.66	2,881.42
Cash flow from investing activities			
Capital expenditure for property, plant and equipment and intangible assets, including capital advance		(4,026.31)	(6,823.35)
Proceeds from sale of property, plant and equipment and intangible assets		32.18	76.99
Payments for investment property		(1.05)	-
Proceeds from sale of investment property		-	15.50
Short-term investments in mutual funds		(1,927.51)	(5,281.91)
Purchase of long-term investments including investment in associates		(665.04)	(6.45)
Consideration paid towards business combinations, net of cash acquired (Refer note 38)		(1,915.15)	(1,136.92)
Consideration paid towards acquisition of non-controlling interest in subsidiary (Refer note 38)		(469.36)	-
Proceeds from sale of investment in mutual funds		9,722.42	3,855.98
Proceeds from sale of investments		8.29	1.80
Proceeds from sale of long-term investments pertaining to discontinued operations, net of expenses and cash (Refer note 39)		5,166.30	1,862.37
Loan (given) to others		(412.45)	(250.00)
Loan recovered from others		100.00	-
Rent deposit received / (given)		1.88	(7.17)
Investment in fixed deposits with maturity of more than 3 months		(411.70)	-

Consolidated Statement of Cash flows

For the year ended March 31, 2018

₹ in Million

		March 31, 2018	March 31, 2017
Rental income from investment property		108.97	56.83
Interest and dividends received (net of tax on dividend)		514.47	769.45
Net cash flow generated from / (utilised in) investing activities	**B**	5,825.94	(6,866.88)
Cash flow from financing activities			
Proceeds from issue of equity shares		36.31	33.89
Proceeds from long-term borrowings		17,290.13	5,788.72
Repayment of long-term borrowings		(22,070.07)	(6,633.81)
Net (decrease) / increase in working capital and short-term borrowings		(2,332.49)	6,882.23
Dividends paid (net of tax on dividend)		(442.86)	(432.26)
Proceeds from issue of shares to minority shareholders		2.61	131.55
Dividend paid to minority shareholders		(9.78)	(18.49)
Interest paid on borrowings (Refer note (ii) below)		(2,630.73)	(2,369.68)
Net cash generated (utilised in) / generated from financing activities	**C**	(10,156.88)	3,382.15
Net (decrease) in cash and cash equivalents	**(A+B+C)**	(2,460.28)	(603.31)
Cash and cash equivalents at the beginning of the year		5,150.78	11,107.41
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		25.71	34.33
On account of reclassification of cash and cash equivalents		-	(5,387.65)
Cash and cash equivalents classified as held for sale (Refer note 39.4)		(0.02)	-
Cash and cash equivalents pursuant to the scheme of demerger (Refer note 39.1)		(154.57)	-
Cash and cash equivalents at the end of the year		2,561.62	5,150.78
Reconciliation of cash and cash equivalents with the balance sheet:			
Cash and cash equivalents as per balance sheet (Refer note 16)		2,561.62	3,223.27
Add: Current investments considered as part of cash and cash equivalents		-	1,927.51
Net cash and cash equivalents at the end of the year*		2,561.62	5,150.78
*** Comprises:**			
Cash on hand		2.06	2.95
Balance with banks:			
- In current accounts		2,176.62	2,076.84
- In EEFC accounts		-	19.44
- In Escrow account		2.00	2.00
- In deposit accounts		183.61	1,122.04
- Funds-in-transit		197.33	-
Current investments considered as part of cash and cash equivalents		-	1,927.51
Total		2,561.62	5,150.78

Notes:

(i) The consolidated cash flow statement reflects the combined cash flows pertaining to continuing and discontinued operations. Refer note 39 for cash flows from discontinued operations.

(ii) Interest paid is inclusive of borrowing cost capitalised on fixed assets ₹240.76 Million (Previous year ₹218.94 Million).

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

for and on behalf of Board of Directors of Strides Shasun Limited

Shashank Sinha
Managing Director
DIN: 02544431

Badree Komandur
Executive Director - Finance
DIN: 07803242

Sampad Guha Thakurta
Partner
Membership Number: 060573
Bengaluru, May 18, 2018

Manjula R.
Company Secretary
Membership Number: A30515

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Note No. 01 // General Information

Strides Shasun Limited (the 'Company' or 'Strides') and its subsidiaries (together referred to as the 'Group') are into the development and manufacture of pharmaceutical products. The Group has its registered office situated at 201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400703, with corporate office in Bengaluru, India and operates across many countries spreading across developed and emerging markets. Strides is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

Note No. 02 // Basis of preparation of consolidated financial statements

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable.

These consolidated Ind AS financial statements ('consolidated financial statements') were approved by the Board of Directors and authorised for issue on May 18, 2018.

2.2 Functional and presentation currency

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, the functional currency has been determined to be the currency of the primary economic environment in which the entity operates.

All amounts have been rounded-off to two decimal places to the nearest million, unless otherwise indicated.

2.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations; and
- Equity settled share based payments that are measured at fair value

2.4 Basis of consolidation

The consolidated financial statements includes 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.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The financial statements of the Group are consolidated on line-by-line basis. Intra-group transactions, balances and any unrealised gains arising from intra-group transactions, are eliminated. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognised as per Ind AS 12 Income Taxes.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Refer note 50 for details of subsidiaries considered in these consolidated financial statements.

2.5 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

2.5.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2.2 — Assessment of functional currency;
- Note 3.18 and 51 — Financial instruments;
- Note 3.12, 3.13 and 3.14— Useful lives of property, plant and equipment, intangible assets and investment property;
- Note 3.6 — Lease classification;
- Note 45 — measurement of defined benefit obligation; key actuarial assumptions;
- Note 44 — Share based payments;
- Note 3.11 and 41— Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets;
- Note 3.15 — Impairment testing for non financial assets.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

2.5.2 Control over subsidiaries

The following entities are considered subsidiaries of the Group even though the Group and non-controlling interests have about 50% of the ownership interest and the voting rights in such entities:

	Name of the entities	Proportion of ownership interest and voting power held by the Group	
		March 31, 2018	March 31, 2017
1.	Generic Partners Pty Limited	51%	51%
2.	Generic Partners Holding Co. Pty Limited	51%	51%
3.	Pharmacy Alliance Pty Limited	51%	51%
4.	Universal Corporation Limited	51%	51%
5.	Vivimed Global Generics Pte Limited	50%	-
6.	Trinity Pharma (Pty) Limited	51.76%	-
7.	Apollo Life Sciences Holdings (Pty) Limited	51.76%	-
8.	Chemsynth Laboratories Private Limited	-	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.

2.6 Assumption and estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2018 is included in the following notes:

2.6.1 Impairment of non-financial assets

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use calculation requires the 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.

2.6.2 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.6.3 Useful lives of property, plant and equipment, Intangible assets and Investment property

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

2.6.4 Employee Benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected 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.

2.6.5 Share Based Compensation to Employees

The Company has granted share based payment plans to its employees. Valuation models are used to calculate the expense for such share-based compensation to employees. These models require a number of assumptions to be made as input. These include financial assumptions as well as various assumptions around individual employee behaviour.

2.6.6 Litigations

As explained in note 41, the Group is a party to certain commercial disputes and has also received notification of claims for significant amounts. There are number of factors that may affect the ultimate outcome in respect of this matter and accordingly, it is difficult to assess the impact of these disputes with accuracy.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

2.7 Operating Cycle

As mentioned in para 1 above under `Corporate information', the Group 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 Group has determined its operating cycle as 3 years to 5 years and 12 months relating to research and development activities and manufacturing of pharmaceutical products respectively. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

2.8 Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

Note No. 03 // Significant accounting policies

3.1 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 *Income Taxes* and Ind AS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date (see note 3.10.2); and

- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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.

3.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to cash-generating units. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which such goodwill arose.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 3.3 below.

3.3 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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.

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.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

3.4 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with Ind AS 109 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.5 Revenue recognition

Revenue from the sale of goods and sale of scrap is measured at the fair value of the consideration received or receivable, exclusive of sales tax, Goods and Service Tax (GST) and net of sales return, trade discounts, rebates and other similar allowances. Sales are presented gross of excise duties.

3.5.1 Sale of goods

Revenue from the sale of goods, sale of dossiers and intellectual property rights are 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.

Profit share revenues

The Group from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Group sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement.

Sale to Distributors

The Group appoints distributors in various territories who purchases the goods from the Group and thereafter sells them in the territory. In case the distributor is acting as an agent, the Group defers revenue recognition till the time goods are sold by the distributor to the end customer. On the other hand, if the distributor is principal, revenue is recognised upon the transfer of significant risks and rewards of ownership of the goods to the distributor.

Right to reject or return goods

The Group sells its products to the customers with a right to return the goods within the specified period of time. If the probability of acceptance by the customer

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

is uncertain, recognition of revenue is deferred till the expiry of right to return or acceptance by the customer whichever is earlier.

Free samples

The Group distributes free samples to distributors, at various exhibitions and at medical conferences. The cost of samples distributed at exhibitions, medical conferences or to doctors directly are treated as marketing expense and clubbed under "Business Promotion Expense". However, free samples given to distributors (that are not acting as agents) is recognised as cost of goods sold. In case the free samples are not delivered at the same time as the related sales consignment, a reliable provision is made in this regard.

Price Variations / Incentives

Incentives are accounted based on the assessment of whether the beneficiary (of the incentive) is acting as a principal or an agent. Where the beneficiary is a principal, the incentive is regarded as consideration paid to the customer and is reduced from revenue. However, where the beneficiary is an agent, the incentive payment is recognised as an expense as the same is in the nature of commission.

Chargebacks / Reptos claims by the wholesalers / distributors and Price Protections

Chargebacks and reptos claims are estimated on the basis of the average trend of the past years and recognised as reduction to revenue.

3.5.2Rendering 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.

3.5.3 Royalty and sale of licenses

The Group enters into certain dossier sales, royalties, licensing and supply arrangements with various parties. Income from licensing arrangements is generally recognised as per the terms of the contract.

3.5.4 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.5.5 Rental income

The Group's policy for recognition of revenue from operating leases is described in note 3.6.1 below.

3.5.6 Export Incentives

Export incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/ benefits from special import licenses and benefits under specified schemes as applicable.

3.6 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.

3.6.1 The Group as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.6.2 The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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 3.8 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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.

3.7 Foreign currencies transactions and translation

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss in the period in which they arise except for:

- exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets, and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), are recognised initially in other comprehensive income and reclassified from equity to statement of profit and loss on repayment of the monetary items. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, will be reclassified from equity to statement of profit and loss when the gain or loss on disposal is recognised.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit and loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in statement of profit and loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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.

3.8 Borrowing costs

Borrowing costs include:

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

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

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

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

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

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

3.9 Employee benefits

3.9.1 Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

3.9.2 Post-employment benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

3.9.3 Compensated absences

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. The same is disclosed under current liabillities - provisions.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

3.10 Share-based payment arrangements

3.10.1 Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.10.2 Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with Ind AS 102 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Group replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with Ind AS 102. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

At the acquisition date, when the outstanding equity-settled share-based payment transactions held by the employees of an acquiree are not exchanged by the Group for its share-based payment transactions, the acquiree share-based payment transactions are measured at their market-based measure at the acquisition date. If the share-based payment transactions have vested by the acquisition date, they are included as part of the non-controlling interest in the acquiree. However, if the share-based payment transactions have not vested by the acquisition date, the market-based measure of the unvested share-based payment transactions is allocated to the non-controlling interest in the acquiree based on the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the share-based payment transaction. The balance is recognised as remuneration cost for post-combination service.

3.11 Taxation

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

3.11.1 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 consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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.

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.11.2.1 Deferred Tax on Undistributed Earnings

When only a portion of undistributed earnings is remitted to the parent entity by its subsidiary, the parent recognise a deferred tax liability only for the portion of the undistributed earnings expected to be remitted in the foreseeable future.

3.11.2.2 Deferred Tax on Unrealised Profits

The intragroup elimination is made as a consolidation adjustment and not in the financial statements of any individual reporting entity. Therefore, the elimination will result in the creation of a temporary difference, as far as the group is concerned, between the carrying amount of the inventories in the consolidated financial statements and the tax base (assumed to be the carrying amount in the purchaser's individual financial statements). The deferred tax effects arising in respect of this temporary difference is recognised. The tax rate used while recognising the deferred tax balance arising from the elimination of unrealised profits on intragroup transactions is determined by reference to the tax rate in the purchaser's jurisdiction where the temporary difference will reverse.

3.12 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The non refundable payments made with respect to Land taken on finance lease (where there is an option to purchase the same at the end of the lease period) is classified under Property, plant and Equipment as "Lease hold Land".

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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

Freehold land is not depreciated.

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

Freehold land is not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. Individual assets costing less than ₹5,000 are depreciated in full in the year of purchase.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss. When an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, the cost of that item is measured at fair value (even if the entity cannot immediately derecognise the asset given up) unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

3.13 Investment property

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment 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.

3.14 Intangible assets

3.14.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method 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.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

3.14.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in statement profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.14.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.14.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

3.14.5 Useful lives of intangible assets

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

Registration and Brands	: 10 years to 25 years
Software Licenses	: 5 years

3.15 Impairment of assets

3.15.1 Impairment of financial assets:

The Group assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured though a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

3.15.2 Impairment of goodwill and investments in associates and joint ventures:

Refer notes 3.2 and 3.3.

3.15.3 Impairment of non-financial assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

3.16 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, stores and spares: weighted average basis

Work-in progress: at material cost and an appropriate share of production overheads

Finished goods: material cost and an appropriate share of production overheads and excise duty, wherever applicable

Stock-in trade: weighted average basis

3.17 Provisions

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

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

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

3.17.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3.17.2 Contingent liabilities

Contingent liabilities are disclosed in notes when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.18 Financial instruments

3.18.1 Financial assets and financial liabilities

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

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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.

3.18.2 Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

3.18.3 Derivative financial instruments and hedge accounting

The Group uses various derivative financial instruments such as interest rate swaps, currency swaps and forward contracts to mitigate the risk of changes in interest rates and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to the statement of profit and loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability."

Hedges that meet the criteria for hedge accounting are accounted for as follows:

a) Cash flow hedge
The Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of profit and loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the statement of profit and loss.

b) Fair value hedge

The Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the statement of profit and loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to statement of profit and loss over the period of maturity.

3.18.4 Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss, and is included in the 'Other income' line item.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to statement of profit and loss on the disposal of the foreign operation.

3.18.5 Written put options issued to the non-controlling interests:

The Group has issued written put option to non-controlling interests in certain subsidiaries of the Group in accordance with the terms of underlying agreement with such option holders. Should the option be exercised, the Group has to settle such liability by payment of cash.

Accounting on initial recognition:

The amount that may become payable under the option on exercise is recognised as a financial liability at its present value with a corresponding charge directly to the shareholders' equity.

Subsequent measurement:

The liability is subsequently accreted through finance charges recognised under exceptional items in the statement of profit and loss upto the redemption amount that is payable at the date on which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

3.19 Exceptional items

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the year, the nature and amount of such items is disclosed as exceptional items.

3.20 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3.21 Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

3.22 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairperson and Managing Director of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). All operating segments' operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance.

3.23 Standards / amendments not yet effective

Following new standard and amendment to Ind AS have not been applied by the Group as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The effect of changes in Foreign Exchange rates

Ind AS 115 – Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers' (New Revenue Standard), which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. The core principle of the New Revenue Standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Some of the key changes introduced by the New Revenue Standard include additional guidance for multiple-element arrangements, measurement approaches for variable consideration, specific guidance for licensing of intellectual property. The new standard also provides guidance on evaluation of performance obligations being distinct to enable separate recognition and could impact timing of recognition of certain elements of multiple element arrangements. Significant additional disclosures in relation to revenue are also prescribed. The New Revenue Standard also provides two broad alternative transition options – Retrospective Method and Cumulative Effect Method – with certain practical expedients available under the Retrospective Method. The Company is in the process of evaluating the impact of the New Revenue Standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group is evaluating the impact of this amendment on its financial statements.

Note No. 04 // Property, plant and equipment

₹ in Million

Particulars	Gross block									Accumulated depreciation								Net block		
	As at April 1, 2017	Effects of foreign currency exchange differences and regroupings	Additions during the year	Disposals during the year (Refer note (iv) below)	Acquisition through business combinations referred in note 38	Derecognised on disposal of business as referred in note 39.3	Derecognised on demerger as referred in note 39.1	Classified as Held for sale as referred in note 39.4	As at March 31, 2018	As at April 1, 2017	Effects of foreign currency exchange differences and regroupings	Depreciation for the year	Eliminated on disposals of assets	Eliminated on disposal of a businesses referred in note 39.3	Eliminated on demerger referred in note 39.1	Classified as Held for sale as referred in note 39.4	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Freehold Land	965.75	23.66	15.72	-	-	-	87.07	-	918.06	-	-	-	-	-	-	-	-	918.06	965.75
	987.15	*(0.56)*	*1.00*	*18.58*	-	*3.26*	-	-	*965.75*	-	-	-	-	-	-	-	-	*965.75*	*987.15*
Leasehold Land	47.36	0.78	-	-	-	-	-	-	48.14	(0.78)	0.78	-	-	-	-	-	-	48.14	48.14
	72.49	*(9.62)*	-	-	-	*15.51*	-	-	*47.36*	-	*(0.78)*	-	-	-	-	-	*(0.78)*	*48.14*	*72.49*
Buildings	2,837.62	18.83	192.59	15.88	254.44	-	1,140.92	-	2,146.68	205.02	19.00	151.07	2.71	-	63.90	-	308.48	1,838.20	2,632.60
	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*
Plant and equipments	6,711.96	93.08	696.06	61.93	479.00	-	3,211.33	573.25	4,133.59	1,154.95	68.99	672.69	33.05	-	691.97	345.86	825.75	3,307.84	5,557.01
	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*
Furniture and fixtures	197.63	4.01	39.97	2.00	3.52	-	37.23	28.57	177.33	63.02	3.13	29.09	0.91	-	5.61	16.69	72.03	105.30	134.61
	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*
Vehicles	83.90	4.13	11.86	20.35	1.45	-	9.91	0.06	71.02	17.27	3.74	14.28	7.12	-	4.46	0.06	23.65	47.37	66.63
	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*
Office equipments	552.28	6.35	262.62	4.58	2.04	-	160.44	84.42	573.85	174.02	5.71	149.98	1.17	-	70.51	67.33	190.70	383.15	378.26
	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*
Total	11,396.50	150.84	1,218.82	104.74	740.45	-	4,646.90	686.30	8,068.67	1,613.50	101.35	1,017.11	44.96	-	836.45	429.94	1,420.61	6,648.06	9,783.00
Previous year	*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*	

Notes:

(i) Figures in *italics* relates to previous year.

(ii) The above assets, other than to the extent mentioned in note 47, are owned by the Group.

(iii) In 2008, the Group had entered into a lease cum sale agreement with Karnataka Industrial Area Development Board for purchase of land under a lease cum sale agreement where the lease period extended to 2018. The Group is in the process of transferring the said land in its name.

(iv) Disposals include disposal of assets relating to discontinued operations referred to in note 39.3.1.

(v) Refer note 21 for details of property, plant and equipment pledged as security towards borrowings.

Note No. 05 // Investment property

₹ in Million

Particulars	Gross block						Accumulated depreciation			Net block	
	As at April 1, 2017	Additions during the year	Disposals during the year	Acquisition through business combinations referred in note 38	Derecognised on demerger as referred in note 39.1	As at March 31, 2018	As at April 1, 2017	Depreciation for the year	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Land	117.95	-	-	-	1.99	115.96	-	-	-	115.96	117.95
	118.66	-	*0.71*	-	-	*117.95*	-	-	-	*117.95*	*118.66*
Building	667.10	1.06	-	72.97	-	741.13	79.08	42.23	121.31	619.82	588.02
	667.10	-	-	-	-	*667.10*	*38.85*	*40.23*	*79.08*	*588.02*	*628.25*
Total	785.05	1.06	-	72.97	1.99	857.09	79.08	42.23	121.31	735.78	705.97
Previous year	785.76	-	0.71	-	-	785.05	38.85	40.23	79.08	705.97	

Notes:
(i) Figures in *italics* relates to previous year.

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

₹ in Million

Particulars	Gross block		Net block	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Freehold Land	115.96	115.96	115.96	115.96
Buildings	733.41	660.44	614.08	582.77
Total	849.37	776.40	730.04	698.73

(iii) Details of assets held by Trust and for capital appreciation and not given under lease:

₹ in Million

Particulars	Gross block		Net block	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Freehold Land	-	1.99	-	1.99
Buildings	7.72	6.66	5.74	5.25
Total	7.72	8.65	5.74	7.24

(iv) Fair value of investment properties

The fair value of the Company's investment properties as at March 31, 2018 has been arrived at ₹890.70 Million on the basis of a valuation carried out by independent valuers. The said valuers are registered with the authority which governs valuers in India and have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations.

The inputs used are as follows:

- Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property; and
- Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

(iv) Refer note 21 for details of investment properties pledged as security towards borrowings.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

(v) Amounts recognised in profit or loss for investment properties

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Rental income	109.13	59.94
Gain on sale of investment property	-	14.79
Depreciation expense	(42.23)	(40.23)
Profit from investment properties	66.90	34.50

Note No. 06 // Goodwill

₹ in Million

Particulars	As at April 1, 2017	Effects of foreign currency exchange differences	Acquisition through business combinations	Disposals during the year (Refer note (ii) below)	Derecognised on disposal of business as referred in note 39.3	Impairment loss recognised in the year (Refer note (iii) below)	As at March 31, 2018
Goodwill	9,616.24	96.62	198.25	749.90	-	14.12	9,147.09
	9,267.16	*(252.96)*	*1,224.07*	-	*542.65*	*79.38*	*9,616.24*
Total	9,616.24	96.62	198.25	749.90	-	14.12	9,147.09
Previous year	*9,267.16*	*(252.96)*	*1,224.07*	-	*542.65*	*79.38*	*9,616.24*

Notes:

(i) Figures in *italics* relates to previous year.

(ii) Disposals include disposal of goodwill relating to discontinued operations referred to in note 39.3.1.

(iii) **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
- API Business

The carrying amount of goodwill (other than goodwill related to discontinued operations) are allocated to cash-generating units as follows:

₹ in Million

Cash generating units	March 31, 2018	March 31, 2017
Regulated Markets	8,381.17	8,110.02
Emerging Markets	750.85	1,506.22
API	15.07	-
Total	9,147.09	9,616.24

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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	API Business
Discount Rate	11.00 to 14.50%	15.19 to 16.18%	14.75 to 15.25%
Growth Rate (used for determining Terminal Value)	-5 to 3%	3 to 4%	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.

The management believes that the projections used by the management for determining the "value in use" of cash generating units reflect past experience and external sources of information and any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

With respect to the Goodwill from Aspen business, management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

(in percent)

Changes required for recoverable amount to equal carrying amount	March 31, 2018
Discount Rate	1.1
Growth Rate (used for determining Terminal Value)	(2.6)

During the current year, the Group recognised impairment charge of ₹14.12 Million pertaining to the API CGU pursuant to the proposed sale of subsidiary as referred to in note 50.3.

During the year ended March 31, 2017, the Group had recognised impairment charge of ₹79.38 Million pertaining to the Regulated markets CGU pursuant to potential loss of key contracts on account of certain unfavourable macro economic conditions experienced in certain African countries.

Note No. 07 // Other intangible assets

₹ in Million

Particulars	Gross block									Accumulated amortisation								Net block		
	As at April 1, 2017	Effects of foreign currency exchange differences and regroupings	Additions during the year	Disposals during the year (Refer note (ii) below)	Acquisition through business combinations referred in note 38	Derecognised on disposal of business as referred in note 39.3	Derecognised on demerger as referred in note 39.1	Classified as Held for sale as referred in note 39.4	As at March 31, 2018	As at April 1, 2017	Effects of foreign currency exchange differences and regroupings	Amortisation for the year	Eliminated on disposals of assets	Eliminated on disposal of a businesses referred in note 39.3	Eliminated on demerger as referred in note 39.1	Classified as Held for sale as referred in note 39.4	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
- Internally generated:																				
- Registration and brands	176.32	-	227.31	-	-	-	0.75	-	402.88	75.86	-	50.05	-	-	0.75	-	125.16	277.72	100.46
	115.91	-	*60.41*	-	-	-	-	-	*176.32*	*40.05*	-	*35.81*	-	-	-	-	*75.86*	*100.46*	*75.86*
- Others:																				
- Registration and brands	9,951.44	92.55	3,638.07	1,980.29	275.82	633.86	-	-	11,343.73	940.55	72.30	669.42	448.87	116.64	-	-	1,116.76	10,226.97	9,010.89
	7,966.57	*(78.08)*	*982.27*	*1.95*	*1,186.60*	*103.97*	-	-	*9,951.44*	*365.24*	*(89.12)*	*675.06*	*0.15*	*10.48*	-	-	*940.55*	*9,010.89*	*7,601.33*
- Customer / Supply Contracts	238.24	3.45	-	-	357.93	-	-	-	599.62	16.40	1.30	23.55	-	-	-	-	41.25	558.37	221.84
	170.48	*(4.24)*	-	-	*72.00*	-	-	-	*238.24*	*0.90*	*(0.36)*	*15.86*	-	-	-	-	*16.40*	*221.84*	*169.58*
- Customer Relationships	-	-	-	36.40	36.40	-	-	-	-	-	-	1.06	1.06	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Software licenses	482.47	2.17	301.04	-	0.38	-	48.68	12.11	725.27	124.56	2.12	135.84	-	-	23.45	5.74	233.33	491.94	357.91
	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*
Total	10,848.47	98.17	4,166.42	2,016.69	670.53	633.86	49.43	12.11	13,071.50	1,157.37	75.72	879.92	449.93	116.64	24.20	5.74	1,516.50	11,555.00	9,691.10
Previous year	*8,415.05*	*(85.28)*	*1,368.97*	*2.12*	*1,258.60*	*106.75*	-	-	*10,848.47*	*456.63*	*(91.43)*	*803.96*	*0.20*	*11.59*	-	-	*1,157.37*	*9,691.10*	

Notes:

(i) Figures in *italics* relates to previous year.

(ii) Disposals include disposal of other intangibles assets relating to discontinued operations referred to in note 39.3.1.

(iii) Refer note 21 for details of other intangible assets pledged as security towards borrowings.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Note No. 08 // Investments

Investments consist of the following:

(i) Investment in associates and joint ventures

₹ in Million

Particulars	March 31, 2018	March 31, 2017
(A) Investments in associates under equity method:		
Equity shares, unquoted		
- 251,527 (As at March 31, 2017: 251,527) shares of ₹10 each fully paid up in Stelis Biopharma Private Limited, India (Refer note 39.3.3)	1,905.36	2,049.42
- 342 (As at March 31, 2017: 342) shares of Ethiopian Birr 1,000 each fully paid up in Regional Bio Equivalence Centre S.C., Ethiopia	-	3.14
- 19 (As at March 31, 2017: Nil) shares in Generic Partners (R&D) Pte Limited, Singapore	-	-
- 14,133,440 (As at March 31, 2017: Nil) shares of ₹10 each fully paid up in Vivimed Life Science Private Limited, India (Refer note (a) below)	629.38	-
Preference shares, unquoted		
- 3,734,074 (As at March 31, 2017: 3,734,074) shares of USD 0.001 each fully paid up in Aponia Laboratories Inc, USA	92.15	82.53
Total [A]	2,626.89	2,135.09
(B) Investments in joint ventures under equity method:		
Equity shares, unquoted		
- Nil (As at March 31, 2017: 1,312,500) shares of USD 1 each fully paid up in Shasun NBI LLC, USA (Refer note 50.2(iii))	-	63.88
Less: Provision for diminution in value of investments	-	(63.88)
- 51 (As at March 31, 2017: Nil) shares fully paid up in MyPak Solutions Australia Pty Limited, Australia (Refer note (b) below)	36.17	-
- 50 (As at March 31, 2017: 50) shares fully paid up in Oraderm Pharmaceuticals Pty Limited, Australia	0.54	0.54
Total [B]	36.71	0.54
Total [A+B]	2,663.60	2,135.63
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	2,663.60	2,199.51
Aggregate amount of impairment in value of investments	-	(63.88)

Notes:

(a) During the year, the Group entered into a joint venture agreement with Vivimed Labs Limited, India pursuant to which the Group made investment in Vivimed Life Sciences Private Limited, India ("Vivimed India"). Pursuant to this arrangement, Vivimed India became an associate of the Group with 50% equity interest.

(b) On March 29, 2018, Amneal Pharmaceuticals Pty Limited, Australia, a subsidiary of the Group entered into a joint venture agreement with Douglas Pharmaceuticals Australia Pty Limited, Australia pursuant to which the subsidiary contributed certain assets into a joint venture entity in exchange for equity interest of 50.495% in MyPak Solutions Australia Pty Limited, Australia.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

(ii) Investments - non-current

₹ in Million

Particulars	March 31, 2018	March 31, 2017
(A) Investments carried at fair value through profit or loss:		
Equity shares, unquoted		
- 1,050 (As at March 31, 2017: 1,050) shares in Red Vault Investments Pty Limited, Australia	150.87	150.87
Less: Provision for diminution in value of investments	(150.87)	(150.87)
- 6,000,000 (As at March 31, 2017: 6,000,000) shares in Sonnet Biothera Inc, USA	0.55	0.55
- Nil (As at March 31, 2017: 828,675) shares of ₹10 each fully paid up in Clarion Wind Farm Private Limited, India (Refer note 39.1)	-	8.29
- Nil (As at March 31, 2017: 4,242) shares of ₹100 each fully paid up in SIPCOT Industrial Common Utilities Limited, India (Refer note 39.1)	-	0.42
- Nil (As at March 31, 2017: 45,000) shares of ₹10 each fully paid up in Tulsyan Lec Limited, India (Refer note 39.1)	-	1.35
- 56,909 (As at March 31, 2017: 110,870) shares of ₹10 each fully paid up in Beta Wind Farm Private Limited, India (Refer note (i) below)	-	2.11
Total [A]	0.55	12.72
(B) Other investments at fair value through other comprehensive income:		
Equity shares, quoted		
- 1,739,130 (As at March 31, 2017: 1,739,130 shares in Oncobiologics Inc, USA	100.86	302.30
Total [B]	100.86	302.30
Total [A+B]	101.41	315.02
Aggregate book value of quoted investments	100.86	302.30
Aggregate market value of quoted investments	100.86	302.30
Aggregate carrying value of unquoted investments	151.42	163.59
Aggregate amount of impairment in value of investments	(150.87)	(150.87)

(i) Pursuant to the Scheme of demerger (as referred in note 39.1), total existing investment as on the date of demerger of 391,185 fully paid up equity shares made in Beta Wind Farm Private Limited by Strides Shasun Limited has been split between the demerged and resulting entities as on March 31, 2018. Below are the shares held by respective entities in proportion of consumption to comply with the Electricity rules.

Strides Shasun Limited (for HTSC No.443 of Chengalput EDC) – 56,909 shares
Solara Active Pharma Sciences Limited (for HTSC 64 of Cuddalore EDC) - 334,276 shares

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

(iii) Investments - current

₹ in Million

Particulars	March 31, 2018	March 31, 2017
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, 2018: 8,581.157, March 31, 2017 - 299,932.22)	13.13	458.52
- Reliance Floating Rate Fund - Short Term Plan - Growth Plan (Units As at March 31, 2018: 12,382,228.616, March 31, 2017: 12,382,228.616)	339.33	318.86
- Reliance Floating Rate Fund - Short Term Plan - Direct Monthly Dividend Plan (Units As at March 31, 2018: 93,906,412.869, March 31, 2017: 93,906,412.869)	1,031.21	1,018.65
- Reliance Banking & PSU Debt Fund - Direct Monthly Dividend Plan (Units As at March 31, 2018: 47,453,064.062, March 31, 2017: 361,213,176.255)	492.97	3,715.22
- Reliance Floating Rate Fund - Short Term Plan - Direct Daily - Dividend Reinvestment (Units As at March 31, 2018: 91,737,897.163, March 31, 2017: 93,132,496.994)	928.96	942.50
- IDFC Super Saver Income Fund - Short Term Plan - Monthly Dividend - Direct Plan (Units As at March 31, 2018: Nil, March 31, 2017: 36,056,652.212)	-	374.42
- L&T Liquid Fund Direct Plan - Daily Dividend Reinvestment Plan (Units As at March 31, 2018: 5,340.35, March 31, 2017: 22,519.449)	5.41	22.81
- SBI Premier Liquid Fund - Direct Plan - Daily dividend option (Units As at March 31, 2018: 3,444.399, March 31, 2017: 585,330.993)	3.46	587.23
- ICICI Prudential Liquid - Direct Plan - Daily Dividend (Units As at March 31, 2018: 40,529.205, March 31, 2017: 5,386,201.904)	4.06	538.99
- ICICI Prudential Ultra Short Term - Direct Plan - Daily Dividend (Units As at March 31, 2018: 10,434,415.064, March 31, 2017: 105,412,659.519)	105.51	1,065.34
- ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Daily Dividend (Units As at March 31, 2018: 18,121,190.095, March 31, 2017: 362,093,006.272)	189.52	3,752.84
- Birla Sun Life Fixed Term Plan-Series KW-Gr. Direct - Reinvestment (Units As at March 31, 2018: 12,278.49, March 31, 2017: Nil)	1.23	-
Total	3,114.79	12,795.38
Current investments offered as security towards borrowings	-	10,867.87
Highly liquid investments that are readily convertible into known amounts of cash and cash equivalents	3,114.79	1,927.51

Note:
The market value of quoted investments is equal to the carrying value.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Note No. 09 // Loans

Loans (unsecured) consist of the following:

(i) Non-current loans

₹ in Million

Particulars	March 31, 2018	March 31, 2017
At amortised cost		
Considered good:		
Security deposits*	212.16	224.56
Loans to:		
- Employees	-	0.85
- Other parties	-	350.00
- Related parties (Refer note 49)	412.45	-
Considered doubtful:		
- Suppliers	-	7.36
- Less: Provision for doubtful loans	-	(7.36)
	-	-
Total	624.61	575.41

*Includes security deposit given to related parties as referred in note 49.

(ii) Current loans

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Considered good:		
Loans to:		
- Employees	40.70	72.35
- Other parties	250.00	-
Total	290.70	72.35

Note No. 10 // Other financial assets

Other financial assets consist of the following:

(i) Non-current financial assets

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Unsecured, considered good:		
Fixed deposits with banks	16.29	-
Total	16.29	-

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

(ii) Current financial assets

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Unsecured, considered good:		
Consideration receivable on disposal of business (Refer note 39.3.5)	39.10	739.12
Receivable towards sale of assets	53.00	-
Interest accrued on deposit	3.31	78.14
Interest accrued on loans and advances given	35.69	15.03
Derivative asset	46.77	382.15
Unbilled revenue	159.66	8.68
Others:		
- Receivable from director (Refer note 49)	1.67	-
- Gratuity claim receivables	1.21	5.28
- Insurance claim receivable	-	24.12
- Others	7.77	12.41
Total	348.18	1,264.93

Note No. 11 // Deferred tax balances

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax assets (net)	1,268.32	701.15
Deferred tax liabilities (net)	(653.25)	(585.80)
Total	615.07	115.35

₹ in Million

March 31, 2018	Opening balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Acquisitions / disposals	Exchange differences	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Cash flow hedges	(117.84)	-	104.05	-	-	(13.79)
(including forward element of forward contracts)						
Property, plant and equipment	(734.64)	9.72	-	209.19	(4.73)	(520.46)
Intangible assets - Goodwill	(88.47)	88.47	-	-	-	-
Intangible assets - Other than Goodwill	(398.25)	(46.57)	-	(56.35)	(4.46)	(505.63)
FVTPL financial assets	(26.05)	11.58	-	-	-	(14.47)
Deferred revenue	0.22	(0.11)	-	0.28	-	0.39
Exchange difference on foreign operations	0.34	(6.79)	-	(0.32)	(0.14)	(6.91)
Defined benefit obligation	88.15	10.49	0.46	(42.07)	0.18	57.21
Other financial liabilities	(34.99)	(36.85)	-	-	(0.01)	(71.85)
Others	68.76	2.78	-	72.33	1.15	145.02
Inventory	159.60	87.99	-	-	-	247.59
Provision for employee benefits	153.72	34.85	-	(42.28)	0.15	146.44
Merger and restructuring related expenses	26.92	(2.76)	-	-	-	24.16
Allowance for credit losses	65.15	57.09	-	(7.65)	0.45	115.04
Provision and impairment in value of asset/ investment	5.59	9.43		162.12	0.19	177.33
	(831.79)	219.32	104.51	295.25	(7.22)	(219.93)
Tax losses	478.45	(269.46)	-	(124.61)	1.16	85.54
MAT credit entitlement	468.69	280.77	-	-	-	749.46
Total	115.35	230.63	104.51	170.64	(6.06)	615.07

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

₹ in Million

March 31, 2017	Opening balance	Recognised in statement of profit or 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)	-	(151.19)	(0.07)	(734.64)
Intangible assets - Goodwill	(32.59)	(55.88)	-	-	-	(88.47)
Intangible assets - Other than Goodwill	(179.82)	(0.33)	-	(219.31)	1.21	(398.25)
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	-	-	-	(0.03)	0.34
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)	-	65.11	(2.41)	68.76
Inventory	125.65	33.95	-	-	-	159.60
Provision for employee benefits	101.71	52.39	-	-	(0.38)	153.72
Merger and restructuring related expenses	35.90	(8.98)	-	-	-	26.92
Allowance for credit losses	86.39	(20.97)	-	-	(0.27)	65.15
Provision and impairment in value of asset/ investment	2.02	3.80	-	-	(0.23)	5.59
MTM Losses	0.20	(0.20)	-	-	-	-
	(330.81)	**(178.69)**	**(19.60)**	**(305.39)**	**2.70**	**(831.79)**
Tax losses	204.73	346.60	-	(48.01)	(24.87)	478.45
MAT credit entitlement	628.47	(159.78)	-	-	-	468.69
Total	**502.39**	**8.13**	**(19.60)**	**(353.40)**	**(22.17)**	**115.35**

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (MAT). MAT paid can be carried forward for a certain period and can be set off against the future tax liabilities. MAT is recognised as deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefits associated with the asset will be realised.

Note No. 12 // Income tax assets (net)

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Advance income tax (net of provisions)	500.12	509.68
Taxes paid under protest	698.17	698.17
Income tax refund receivable	-	4.39
Total	1,198.29	1,212.24

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Note No. 13 // Other assets

Other assets (unsecured) consist of the following:

(i) Other non-current assets

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Considered good:		
Capital advances	149.26	327.14
Prepaid expenses	170.66	126.29
Lease equalisation asset	22.22	22.06
Advances to others	-	84.45
Balances with Government authorities:		
- VAT credit / refund receivable	69.04	1.36
- Taxes paid under protest	24.23	26.31
Others:		
- Receivable from KIADB	4.79	6.44
Total	440.20	594.05

(ii) Other current assets

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Considered good:		
Advance to suppliers	1,560.21	1,785.56
Advance to employees	5.31	1.23
Prepaid expenses	326.20	241.88
Balances with Government authorities	1,101.24	584.75
Incentives receivables	343.39	590.23
Considered doubtful:		
Advance to suppliers	-	3.42
Less: Provision for doubtful loans and advances	-	(3.42)
	-	-
Total	3,336.35	3,203.65

Note No. 14 // Inventories *

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Raw materials (including goods in transit)	2,575.70	2,888.11
Work-in-progress	333.24	648.65
Finished goods	709.76	905.15
- Goods-in-transit	627.86	197.81
Stock-in-trade	1,170.20	2,567.48
Stores and spares	103.48	120.80
Total	5,520.24	7,328.00

* Refer note 3.16 for mode of valuation of inventories.

The amount of write down of inventory recognised as an expense in the statement of profit and loss during the year is ₹203.37 Million (March 31, 2017: ₹827.76 Million)

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Note No. 15 // Trade receivables

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Unsecured		
Considered good*	8,821.78	9,959.13
Considered doubtful	1,712.20	1,253.29
	10,533.98	11,212.42
Less: Allowance for credit loss	(1,712.20)	(1,253.29)
Total	8,821.78	9,959.13

* Includes receivables from related parties as referred in note 49.

In determining the allowance for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Movement in Expected credit loss allowance

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Balance at the beginning of the year	1,253.29	819.33
Movement in Expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	458.91	433.96
Balance at end of the year	1,712.20	1,253.29

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, 2018, trade receivables balances include ₹484.92 Million (As at March 31, 2017: ₹264.56 Million) and the corresponding financial liability to the banks is included as part of working capital loan under short-term borrowings.

Note No. 16 // Cash and cash equivalents

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Cash on hand	2.06	2.95
Balances with banks:		
- In current accounts	2,176.62	2,076.84
- In EEFC accounts	-	19.44
- In Escrow account	2.00	2.00
- In deposit accounts	183.61	1,122.04
- Funds-in-transit	197.33	-
Total	2,561.62	3,223.27

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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	March 31, 2018	March 31, 2017
In deposit accounts	395.41	-
In earmarked accounts:		
- Unpaid dividend accounts	66.89	67.08
- Unpaid shares accounts	0.33	0.33
- Group gratuity accounts	1.26	1.26
- Balance held as margin money against working capital facilities with banks	7.75	2.82
Total	471.64	71.49

Note No. 18 // Equity share capital

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Authorised		
176,750,000 equity shares of ₹10/- each with voting rights		
(March 31, 2017: 176,750,000 equity shares of ₹10/- each)	1,767.50	1,767.50
Total	1,767.50	1,767.50
Issued, subscribed and fully paid-up		
89,500,035 equity shares of ₹10/- each with voting rights		
(March 31, 2017: 89,423,006 equity shares of ₹10/- each)	895.00	894.23
Total	895.00	894.23

(i) Reconciliation of no. of shares and amount outstanding

Particulars		March 31, 2018		March 31, 2017	
		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		89,423,006	894.23	89,345,978	893.46
Changes in equity share capital during the year					
Shares issued pursuant to the exercise of stock options	44	77,029	0.77	77,028	0.77
Balance at the end of the year		89,500,035	895.00	89,423,006	894.23

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

(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 equity shares:

Particulars	March 31, 2018		March 31, 2017	
	No. of shares	%	No. of shares	%
Pronomz Ventures LLP	12,665,000	14.15%	12,665,000	14.16%
SBI Magnum Multiplier Fund	6,740,140	7.53%	5,818,481	6.51%

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

Particulars	No. of shares	
	March 31, 2018	March 31, 2017
Towards employee stock options under the various Strides stock option plans (Refer note 44)	3,030,692	3,193,097
Total	3,030,692	3,193,097

(v) Buy back of shares, issue of bonus shares and shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.

There have been no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the Balance sheet date.

Note No. 19 // Other equity

₹ in Million

Particulars		Note	March 31, 2018	March 31, 2017
(A)	**Share application money pending allotment**	19 (A)	1.44	-
(B)	**Reserves and surplus**			
	Capital reserve	19 (B)(i)	480.15	438.97
	Securities premium reserve	19 (B)(ii)	16,969.43	18,879.22
	Capital redemption reserve	19 (B)(iii)	601.61	601.61
	Share options outstanding account	19 (B)(iv)	89.18	88.54
	Equity for gross obligation	19 (B)(v)	(3,754.76)	(3,754.76)
	General reserve	19 (B)(vi)	3,970.93	3,970.93
	Retained earnings	19 (B)(vii)	1,263.02	2,184.74
(C)	**Items of other comprehensive income**			
	FVOCI equity investments reserve	19 (C)(i)	(612.05)	(410.60)
	Cash flow hedging reserve	19 (C)(ii)	26.03	222.63
	Foreign currency translation reserve	19 (C)(iii)	4,713.76	4,469.91
	Remeasurement of the defined benefit liabilities / (asset)	19 (C)(iv)	(98.13)	(97.19)
Total			23,650.61	26,594.00

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Nature and purpose of other reserve

(a) Capital reserve

Capital reserve is created on account of Foreign Currency Convertible Bonds, business combinations and demerger. It is utilised in accordance with the provisions of the Companies Act, 2013.

(b) Securities premium reserve

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(c) Capital redemption reserve

Capital redemption reserve is a statutory, non-distributable reserve into which the amounts are transferred following the redemption or purchase of Company's own shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(d) Share options outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

(e) Equity for gross obligation

The Group has issued written put option to non-controlling interests in certain subsidiaries of the Group in accordance with the terms of underlying agreement with such option holders. Should the option be exercised, the Group has to settle such liability by payment of cash. On initial recognition, the amount that may become payable under the option on exercise is recognised as a financial liability at its present value of the redemption amount with a corresponding charge directly to the other equity.

(f) General reserve

General reserves are the retained earnings of a Group which are appropriated out of Group's profits. General reserve is a free reserve which can be utilised for any purpose after fulfilling certain conditions in accordance with the provisions of the Companies Act, 2013.

(g) Retained Earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.

(h) FVOCI equity investments reserve

The Group has elected to recognise changes in the fair value of certain investments in other comprehensive income. These changes are accumulated within FVOCI equity investments reserve.

(i) Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

(j) Foreign currency translation reserve

The translation reserve comprise all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

(k) Remeasurement of the defined benefit liabilities / (asset)

The cumulative balances of actuarial gain or loss arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Items included in actuarial gain or loss reserve will not be reclassified subsequently to statement of profit and loss.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

₹ in Million

Particulars		March 31, 2018	March 31, 2017
(A) Share application money pending allotment			
Opening balance		-	-
Add: Movement during the year (net)		1.44	-
Closing balance	**[A]**	1.44	-
(B) Reserves and surplus			
(i) Capital reserve			
Opening balance		438.97	438.97
Add: Pursuant to allotment of shares to non-controlling interests		144.63	-
Less: Pursuant to investment in subsidiaries (Refer note 38)		(103.45)	-
Closing balance		480.15	438.97
(ii) Securities premium reserve			
Opening balance		18,879.22	18,822.25
Less: Adjustment pursuant to the scheme of demerger (Refer note 39.1)		(1,971.57)	-
Add: Premium received on shares issued		61.78	56.97
Closing balance		16,969.43	18,879.22
(iii) Capital redemption reserve			
Opening balance		601.61	601.61
Closing balance		601.61	601.61
(iv) Share options outstanding account (Refer note 44)			
Opening balance		88.54	57.71
Add: Employee stock compensation expenses (including expenses pertaining to discontinued operations)		(27.68)	(23.89)
Less: Transferred to securities premium account on exercise of ESOPs		28.32	54.72
Closing balance		89.18	88.54
(v) Equity for gross obligation			
Opening balance		(3,754.76)	(1,471.27)
Add: Pursuant to business combinations (refer note 38)		-	(2,494.73)
Add: Pursuant to exchange movement		-	28.17
Less: Settlement of unexercised put option		-	183.07
Closing balance		(3,754.76)	(3,754.76)
(vi) General reserve			
Opening balance		3,970.93	3,970.93
Closing balance		3,970.93	3,970.93
(vii) Retained earnings			
Opening balance		2,184.74	(1,362.00)
Add: Profit for the year		6,604.69	3,997.49
Less: Final dividend on equity shares (₹4.50 per share, previous year ₹4 per share)		(402.72)	(357.46)
Adjustment pursuant to the scheme of demerger (Refer note 39.1)		(7,038.43)	-
Dividend to non-controlling interest		(9.78)	(18.49)
Tax on final dividend		(40.50)	(74.80)
Tax on dividend from foreign subsidiaries (to the extent adjusted against final dividend)		(34.98)	-
Closing balance		1,263.02	2,184.74
Total Reserves and surplus	**[B]**	19,619.56	22,409.25
(C) Items of other comprehensive income			
(i) FVOCI equity investments reserve			
Opening balance		(410.60)	(296.68)
Add / (Less): Other comprehensive income for the year		(201.45)	(113.92)
Closing balance		(612.05)	(410.60)
(ii) Cash flow hedging reserve			
Opening balance		222.63	91.88
Add / (Less): Other comprehensive income for the year (net of taxes)		(196.60)	130.75
Closing balance		26.03	222.63

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

₹ in Million

Particulars		March 31, 2018	March 31, 2017
(iii) Foreign currency translation reserve			
Opening balance		4,469.91	4,834.02
Add / (Less): Other comprehensive income for the year		243.85	(364.11)
Closing balance		4,713.76	4,469.91
(iv) Remeasurement of the defined benefit liabilities / (asset)			
Opening balance		(97.19)	(2.44)
Add / (Less): Other comprehensive income for the year (net of taxes)		(0.94)	(94.75)
Closing balance		(98.13)	(97.19)
Total items of other comprehensive income	**[C]**	4,029.61	4,184.75
Attributable to equity holders of the Company	**[A + B + C]**	23,650.61	26,594.00

Note No. 20 // Non-controlling interests

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Opening balance	1,335.01	502.11
Add: Profit for the year	198.68	461.98
Less: Other comprehensive income for the year	(5.13)	(0.79)
Add / (Less): Pursuant to exchange movement	(29.78)	39.15
Add: Pursuant to business combinations (Refer note 38)	218.59	457.97
Add: Pursuant to further investment in subsidiary	-	131.55
Add / (Less): Pursuant to allotment of shares to non-controlling interest	2.60	-
Add / (Less): Pursuant to acquisition of non-controlling interest in subsidiary (Refer note 38)	(145.32)	-
Add / (Less): Pursuant to disposal of subsidiaries (Refer note 39.1.1)	(28.17)	(256.96)
Closing balance	1,546.48	1,335.01

Note No. 21 // Borrowings

Borrowings consist of the following:

(i) Non-current borrowings

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Secured		
- Term loans from banks (Refer note (i) to (xv) below	15,483.66	12,504.04
- Term loans from others (Refer note (xvi) to (xviii) below)	-	3,675.05
- Finance lease obligation (Refer note (xix) to (xxi) below)	27.24	49.56
Unsecured		
- Term loans from others (Refer note (xxii) below)	2.33	148.44
Total	15,513.23	16,377.09

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Details of security and terms of repayment for the non-current borrowings:

₹ in Million

Terms of repayment and security		March 31, 2018	March 31, 2017
(i)	Term loans from banks: Loan 1		
	Long-term loan	3.62	8.21
	Current maturities of long-term loan	2.39	7.32
	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, 2018 varies between 8 to 32 instalments.		
(ii)	Term loans from banks: Loan 2		
	Long-term loan	-	-
	Current maturities of long-term loan	-	891.31
	Security: Charge on fixed assets of the Company, (other than land and building situated at Navi Mumbai 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 instalments commencing after 24 months from initial utilization date. The loan was entirely repaid during the current year.		
(iii)	Term loans from banks: Loan 3		
	Long-term loan	-	1,661.97
	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, 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 instalments commencing after 18 months from initial utilization date. The loan was entirely repaid during the current year. During the year 2016-17, the Bank has assigned ₹1,000 Million to financial institution given under (xvii) below.		
(iv)	Term loans 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, Hosur and Kumarpettai properties) and second charge on current assets of the Company Rate of interest: MCLR Repayment terms: 16 unequal quarterly instalments commencing after 18 months from initial utilization date. The loan was entirely repaid during the current year.		
(v)	Term loans from banks: Loan 5		
	Long-term loan	-	101.45
	Current maturities of long-term loan	-	81.06
	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 centre 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 instalments commencing after 15 months from initial utilization date. The loan was entirely repaid during the current year. The loan has been transferred to Solara Active Pharma Sciences Limited pursuant to the scheme of demerger (refer note 39.1)		

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

₹ in Million

Terms of repayment and security		March 31, 2018	March 31, 2017
(vi)	Term loans from banks: Loan 6		
	Long-term loan	-	1,217.23
	Current maturities of long-term loan	-	341.50
	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 instalments commencing after 6 months from initial utilization date. The loan was entirely repaid during the current year.		
(vii)	Term loans from banks: Loan 7		
	Long-term loan	-	-
	Current maturities of long-term loan	-	3,534.87
	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. The loan was entirely repaid during the current year.		
(viii)	Term loans from banks: Loan 8		
	Long-term loan	-	4,685.74
	Current maturities of long-term loan	-	361.55
	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 instalments commencing after 18 months from date of first disbursement. The loan has been prepaid during the current year.		
(ix)	Term loans from banks: Loan 9		
	Long-term loan	-	3,136.88
	Current maturities of long-term loan	-	658.78
	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 instalments commencing after 18 months from date of first disbursement. The loan has been prepaid during the current year.		
(x)	Term loans 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 instalments commencing after 14 months from date of disbursement. The loan has been prepaid during the current year.		
(xi)	Term loans from banks: Loan 11		
	Long-term loan	29.94	69.27
	Current maturities of long-term loan	39.93	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: Variable Market Rate BBSY (approx. 1.80%) + 0.25% liquidity fee p.a. Repayment terms: AU$ 200,000 per quarter. The outstanding term as at March 31, 2018 is 7 instalments.		
(xii)	Term loans from banks: Loan 12		
	Long-term loan	262.97	67.49
	Current maturities of long-term loan	59.25	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 60 to 89 monthly instalments. The outstanding term as at March 31, 2018 ranges between 31 to 53 instalments.		

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

₹ in Million

Terms of repayment and security	March 31, 2018	March 31, 2017
(xiii) Term loans from banks: Loan 13		
Long-term loan	8,001.20	-
Current maturities of long-term loan	87.51	-
Security: Pari-passu first charge on all the fixed assets, intangible assets and current assets of the borrowing subsidiary and pari-passu first charge on all the fixed assets, intangible assets and second pari passu charge on the current assets of the the ultimate holding company, both present and future Rate of interest: 3 months LIBOR + 318 bps p.a. Repayment terms : 32 structured quarterly instalments with first instalment due at the end of 3 months of date of first disbursement, with an overall average life of 5.21 years.		
(xiv) Term loans from banks: Loan 14		
Long-term loan	5,999.64	-
Current maturities of long-term loan	-	-
Security: First pari-passu charge on all current assets and fixed assets including intangible assets of the borrowing subsidiary, its holding company and first pari-passu charge on the fixed assets and second pari-passu charge on the current assets of the ultimate holding company, both present and future Rate of interest: 6 months LIBOR + 230 bps p.a. Repayment terms: Repayable in 96 months after an initial moratorium period of 24 months.		
(xv) Term loans from banks: Loan 15		
Long-term loan	1,186.29	-
Current maturities of long-term loan	32.58	-
Security: First pari-passu charge on all current assets and fixed assets including intangible assets of the borrowing subsidiary, present and future Rate of interest: 6 months LIBOR + 300 bps p.a. Repayment terms: Repayable in 16 structured quarterly instalments after an initial moratorium period of 15 months from the date of first disbursement.		
(xvi) 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, 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 instalments commencing after 18 months from initial utilization date. The loan was entirely repaid during the current year. The loan has been transferred to Solara Active Pharma Sciences Limited Pursuant to the scheme of demerger (refer note 39.1).		
(xvii) Term loan from others: Loan 2		
Long-term loan	-	2,848.23
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, 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 instalments commencing after 18 months from initial utilization date. The loan was entirely repaid during the current year.		
(xviii) Term loan from others: Loan 3		
Long-term loan	-	0.09
Current maturities of long-term loan	-	1.18
Security: Hypothecation of assets procured from the term loans. Rate of interest: 9.86% p.a. Repayment terms: Repayable in 60 monthly instalments commencing from May 2013. The outstanding term as at March 31, 2018 is Nil.		

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

₹ in Million

Terms of repayment and security	March 31, 2018	March 31, 2017
(xix) Finance lease obligation:		
Long-term maturity of finance lease obligation	20.83	39.63
Current maturities of finance lease obligation	18.81	16.98
Rate of interest: 10.37% p.a. Repayment terms: Repayable in 20 quarterly instalments commencing from July 2015. The outstanding term as at March 31, 2018 is 8 instalments.		
(xx) 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 instalments commencing from May 2016. There is no outstanding balalnce as at March 31, 2018.		
(xxi) Finance lease obligation:		
Long-term maturity of finance lease obligation	6.41	8.38
Current maturities of finance lease obligation	2.00	5.82
Rate of interest: Bank reference rate + 5.10% p.a. / Bank USD Base rate Repayment terms: Repayable in 42 to 48 monthly instalments. The outstanding term as at March 31, 2018 is 3 to 35 instalments.		
(xxii) Unsecured Long-term loans from others:		
Long-term loan	2.33	148.44
Current maturities of long-term loan	-	-
Rate of interest: Nil Repayment terms: Repayable as and when the funds permit.		
Total	15,755.70	23,056.93

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Disclosed under long term borrowings	15,513.23	16,377.09
Disclosed under other current liabilities :		
-Current maturities of long-term loans	221.66	6,656.44
-Current maturities of finance lease obligations	20.81	23.40
Total	15,755.70	23,056.93

(ii) Current borrowings

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Secured loans repayable on demand from banks: (Refer note below)		
- Working capital loans	6,188.54	6,369.54
- Short-term loans	2,724.80	6,531.01
Unsecured loans		
- Loans repayable on demand from banks and others	530.60	1,039.01
Total	9,443.94	13,939.56

Note:

Details of security for the secured loans repayable on demand: Working capital and short-term loans from banks are secured by first pari passu charge over current assets of the Company and second pari passu charge on movable and immovable fixed assets of the Company (other than land and building situated at Navi Mumbai and Hosur).

Short-term loans are secured by pledge over current investments in mutual funds to the extent of ₹ Nil (As at March 31, 2017: ₹6,584.92 Million).

Rate of interest ranges from 3.45% to 11.40% p.a.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Net debt reconciliation

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Non-current borrowings	15,513.23	16,377.09
Current borrowings	9,443.94	13,939.56
Current maturities of non-current borrowings	242.47	6,679.84
Less:		
Cash and cash equivalents	2,561.62	3,223.27
Current investments (highly liquid)	3,114.79	1,927.51
Net debt	19,523.23	31,845.71

₹ in Million

Reconciliation	Cash and cash equivalents	Current investments (highly liquid)	Non Current borrowings (including current maturities)	Current borrowings	Total
As on April 1, 2017	3,223.27	1,927.51	23,056.93	13,939.56	31,845.71
Pursuant to the scheme of demerger (refer note 39.1)	(154.57)	-	(2,326.41)	(2,237.08)	(4,408.92)
Pursuant to business combinations (refer note 38)	-	-	2.27	-	2.27
Classified as held for sale (refer note 39.4)	(0.02)	-	-	-	0.02
Cash flows	(532.77)	-	(4,779.94)	(2,332.49)	(6,579.66)
Effect of exchange differences on restatement of foreign currency balances	25.71	-	(7.47)	73.95	40.77
Others	-	1,187.28	(189.68)	-	(1,376.96)
As on March 31, 2018	2,561.62	3,114.79	15,755.70	9,443.94	19,523.23

Note No. 22 // Other financial liabilities

Other financial liabilities consist of the following:

(i) Other non-current financial liabilities

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Security deposits	42.21	37.87
Contingent consideration to non controlling shareholders	94.18	-
Gross obligation under written put option	3,787.67	3,880.21
Total	3,924.06	3,918.08

(ii) Other current financial liabilities

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Current maturities of long term loans (Refer note 21(i) above)	221.66	6,656.44
Current maturities of finance lease obligations (Refer note 21(i) above)	20.81	23.40
Interest accrued but not due on borrowings	94.47	124.95
Unclaimed dividends*	66.89	67.09
Derivative liability	12.57	63.23

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Other payables:		
- Payables on purchase of property, plant and equipments and intangible assets	3.91	63.92
- Payables on purchase of non-current investments	90.00	-
- Payables to employees under incentive plan	20.69	69.66
- Book overdraft	0.20	289.52
- Others	59.37	89.26
Total	590.57	7,447.47

*Investor Education and Protection Fund shall be credited when due.

Note No. 23 // Provisions

Provisions consist of the following:

(i) Non-current provisions

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Provision for employee benefits:		
Gratuity and other benefits (Refer note 45)	165.52	251.93
Total	165.52	251.93

(ii) Current provisions

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Provision for sales return	260.75	105.59
Provision for employee benefits:		
- Compensated absences	308.90	360.62
- Gratuity and other benefits (Refer note 45)	0.48	0.41
Total	570.13	466.62

₹ in Million

Movement in provisions	Gratuity and other benefits	Compensated absences	Sales return
Opening balance	252.34	360.62	105.59
Adjustment pursuant to the scheme of demerger (Refer note 39.1)	(121.54)	(8.38)	-
Provision recognised / (utilised) during the year	35.20	(43.34)	155.16
Closing balance	166.00	308.90	260.75

Note No. 24 // Other liabilities

Other liabilities consist of the following:

(i) Other non-current liabilities

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Asset retirement obligation	12.41	-
Prepaid rent liability	6.57	9.58
Lease equalisation liability	77.28	45.39
Total	96.26	54.97

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

(ii) Other current liabilities

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Other payables:		
- Advances from customers	428.30	468.62
- Statutory liabilities	249.61	274.75
Total	677.91	743.37

Note No. 25 // Trade payables

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Total outstanding dues of micro enterprises and small enterprises	44.67	21.46
Total outstanding dues of creditors other than micro and small enterprises*	7,076.02	7,719.48
Total	7,120.69	7,740.94

* includes dues to related party as referred in note 49.

(i) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no material dues owed by the Group to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2018. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group and has been relied upon by the auditors.

₹ in Million

Particulars		March 31, 2018	March 31, 2017
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year		
	- Principal amount due to micro and small enterprises	44.67	21.46
	- Interest due on the above	-	-
(ii)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iv)	The amount of interest accrued and remaining un-paid at the end of each accounting year.	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors/suppliers.

All trade payables are current. The Group's exposure to the currency and liquidity risks related to trade payables is disclosed in note no 51.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Note No. 26 // Current tax liabilities (net)

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Provision for tax (net of advance tax)	558.44	700.73
Total	558.44	700.73

Note No. 27 // Revenue from operations

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Sale of products	26,279.38	24,867.19
Sale of services	1,685.83	1,696.73
Other operating revenues	428.57	990.51
Total	28,393.78	27,554.43

Note No. 28 // Other income

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Interest income	90.06	151.33
Income from current investments	447.04	705.65
Exchange fluctuation gain, net	120.29	360.12
Rental income from operating leases	109.13	59.94
Other non-operating income:		
- Liabilities / provisions no longer required written back	0.03	266.77
- Guarantee commission*	36.58	32.47
- Support service income	47.41	-
- Profit on sale of plant, property and equipment and intangible assets (net)	74.79	5.72
- Recovery on claims	5.29	17.50
- Others	9.95	11.29
Total	940.57	1,610.79

* includes guarantee commission from related parties as referred in note 49.

Note No. 29 // Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Inventories at the end of the year		
- Work-in-progress	333.24	648.65
- Stock-in-trade	1,170.20	2,567.48
- Finished goods	1,337.62	1,102.96
	2,841.06	4,319.09
Less: Pursuant to the scheme of demerger and disposal of entity (Refer note 39)		
- Work-in-progress	-	(416.13)
- Stock-in-trade	-	(258.50)
- Finished goods	-	(366.11)
	-	(1,040.74)

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

₹ in Million

Particulars	March 31, 2018	March 31, 2017
(Add)/Less: Consolidation adjustment:		
- Work-in-progress	(63.77)	(7.28)
- Stock-in-trade	227.53	-
- Finished goods	(31.89)	(122.23)
	131.87	(129.51)
Inventories at the beginning of the year		
- Work-in-progress	648.65	832.34
- Stock-in-trade	2,567.48	1,411.11
- Finished goods	1,102.96	871.01
	4,319.09	3,114.46
Add: Opening stock pertaining to entity acquired during the year (Refer note 38)		
- Work-in-progress	3.36	54.24
- Finished goods	349.34	78.92
	352.70	133.16
Add: Opening stock pursuant to the scheme of demerger and disposal of entity (Refer note 39)		
- Work-in-progress	(416.13)	(566.34)
- Stock-in-trade	(258.50)	(224.41)
- Finished goods	(366.11)	(559.78)
	(1,040.74)	(1,350.53)
Total	921.86	(1,510.77)

Note No. 30 // Employee benefits expense

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Salaries, wages and bonus	3,667.21	3,585.64
Contribution to provident and other funds (Refer note 45)	323.97	261.72
Share based compensation expense (Refer note 44)	22.13	54.71
Staff welfare expenses	327.20	289.51
Total	4,340.51	4,191.58

Note No. 31 // Finance costs

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Interest expense on:		
- Borrowings	1,375.65	1,418.40
- Delayed payment of income tax	0.03	-
- Discounting of deposits	2.46	2.26
Other finance costs	584.29	410.37
Total	1,962.43	1,831.03

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Note No. 32 // Depreciation and amortisation expense

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Depreciation on plant, property and equipments (Refer note 4)	1,017.11	1,142.75
Depreciation on investment property (Refer note 5)	42.23	40.23
Amortisation on other intangible asset (Refer note 7)	879.92	803.96
Amount charged to the statement of profit and loss:	1,939.26	1,986.94
- under continuing operations	1,540.35	1,261.51
- under discontinued operations	398.91	725.43

Note No. 33 // Other expenses

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Subcontracting charges	206.19	143.47
Consumption of stores and spares	416.96	674.88
Power and fuel	496.93	331.89
Water	16.35	6.80
Rent including lease rentals (Refer note 46)	216.59	202.28
Repairs and maintenance:		
- Buildings	46.12	37.57
- Machinery	223.11	258.82
- Others	228.05	202.83
Insurance	113.02	92.84
Rates and taxes	335.47	221.96
Communication expense	110.08	102.46
Travelling and conveyance	289.45	289.30
Printing and stationery	47.25	41.46
Carriage, freight and forwarding	1,236.22	1,052.69
Business promotion	777.22	466.30
Royalty expenses	39.22	57.16
Sales commission	75.06	92.25
Donations and contributions	31.05	-
Expenditure on corporate social responsibility	6.17	21.73
Legal and professional fees (Refer note (i) below)	831.96	776.01
Provision for doubtful debts (including bad debt written off)	14.14	5.31
Loss on sale of plant, property and equipments and intangible assets (net)	-	0.98
Biostudy expenses	260.09	79.23
Miscellaneous expenses	282.77	119.40
Total	6,299.47	5,277.62

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Note:

(i) Payment to the statutory auditors comprises (net of taxes) for:

₹ in Million

Particulars	March 31, 2018	March 31, 2017
- Audit of standalone and consolidated financial statements, including limited reviews*	14.30	14.30
- Other services*	6.45	9.10
- Taxation matters	-	2.22
- Reimbursement of expenses	1.14	0.50
Total	21.89	26.12

* Includes fees paid to previous auditor towards limited review ₹1.5 Million and other services ₹1.68 Million.

Note No. 34 // Exceptional items

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Exchange gain/ (loss) on long-term foreign currency loans and intra-group loans	31.12	125.92
Impairment of Goodwill (Refer note 6)	(14.12)	(79.38)
Write down of inventories and other assets	(157.35)	(26.89)
Business combination and restructuring expenses	(196.29)	(219.94)
Write off of loans & advances	-	(2.86)
Unwinding of discount on gross obligations over written put options to NCI	(99.06)	(118.81)
Unwinding of discount on contingent consideration payable	(2.22)	-
Fair valuation of derivative instruments	2.14	(63.23)
Others	-	20.91
Total	(435.78)	(364.28)

Note No. 35 // Tax expenses

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Current tax		
Current tax expense	485.12	484.74
Current tax relating to prior years reversed	-	(6.61)
	485.12	478.13
Deferred tax benefit		
Deferred tax (benefit) / expense	(107.03)	(3.86)
Minimum alternative tax credit (availed)/utilised	(280.76)	159.78
	(387.79)	155.92
Total	97.33	634.05

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Profit before income taxes		
-from continuing operations	799.47	3,431.15
- from discontinued operations	6,258.50	1,540.24
	7,057.97	4,971.39
Indian statutory income tax rate	34.608%	34.608%
Expected income tax expense	2,442.62	1,720.50
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:		
Income exempt from tax	(2,586.74)	(2,054.63)
Effect of expenses that are not deductible in determining taxable profit	245.30	1,195.82
Effect of concessions	(407.79)	(719.92)
Effect of different tax rates of subsidiaries operating in other jurisdictions	376.06	151.61
Tax pertaining to prior years	-	233.14
Others (net)	185.15	(14.60)
Tax pertaining to discontinued operations	(157.27)	122.13
Total Income tax expense	97.33	634.05

Refer note 11 for significant components of deferred tax assets and liabilities

Note No. 36 // Other comprehensive income

₹ in Million

Particulars		March 31, 2018	March 31, 2017
A)	**Items that will not be reclassified to profit or loss**		
(i)	Defined benefit obligations	(1.40)	(145.36)
	Income tax on above	0.46	49.82
		(0.94)	(95.54)
(ii)	FVOCI equity investments	(201.45)	(113.92)
	Income tax on above	-	-
		(201.45)	(113.92)
Total [A]		(202.39)	(209.46)
B)	**Items that may be reclassified to profit or loss**		
(i)	Cash flow hedge	(300.65)	200.17
	Income tax on above	104.05	(69.42)
		(196.60)	130.75
(ii)	Foreign currency translations	238.72	(364.11)
	Income tax on above	-	-
		238.72	(364.11)
Total [B]		42.12	(233.36)
Total [A+B]		(160.27)	(442.82)

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Note No. 37 // Details of research and development expenditure incurred (charged to statement of profit and loss)

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Cost of materials consumed	113.54	232.49
Salaries, wages and bonus	654.11	576.01
Biostudy expenses	38.68	79.26
Legal and professional fees	157.80	28.04
Consumption of stores and spares	252.02	262.52
Regulatory expenses	24.53	43.33
Travelling and conveyance	21.71	20.14
Depreciation and amortisation expenses	140.69	130.14
Others*	392.05	333.29
Total	1,795.13	1,705.22

*Includes ₹131.53 million charged to exceptional items under "write down of inventory and other assets",which represents development costs associated with projects written off as the projects have been discontinued during the year.

Note No. 38 // Business combinations (including acquisitions of non controlling interest)

During year ended March 31, 2018:

Entity / Business Acquired	Principal Activity	Date of Acquisition	Note Reference
Perrigo API India Private Limited (renamed as Strides Chemicals Private Limited)	Active Pharmaceutical Ingredient (API) manufacturing	06-Apr-17	Refer Note A
Vivimed Global Generics Pte Limited (renamed as Strides Vivimed Pte Limited)	Trading in Pharmaceutics products	18-May-17	Refer Note B
Amneal Pharmaceuticals Pty Limited	Trading in Pharmaceutical products	31-Aug-17	Refer Note C
Strides Healthcare Private Limited	Trading in Pharmaceutical products	22-Nov-17	Refer Note D
Trinity Group	Registration and marketing of pharmaceutical products	01-Jan-18	Refer Note E

Note A:
The Group completed the acquisition of 100% equity interest in Perrigo API India Private Limited, India. Subsequently, Perrigo API India Private Limited has been renamed to Strides Chemicals Private Limited. The Group has accounted for this acquisition as a purchase of business in accordance with Ind AS 103 "Business Combinations" in these consolidated financial statements with effect from April 6, 2017.

Note B:
Strides Pharma Global Pte Limited, Singapore, a subsidiary of the Group, acquired the controlling equity interest in Vivimed Global Generics Pte Limited, Singapore. Pursuant to the investment by Strides Pharma Global Pte Limited, Singapore on May 18, 2017, Vivimed Global Generics Pte Limited, Singapore became a subsidiary of the Group and was accounted in accordance with Ind AS 103 "Business Combinations" in these consolidated financial statements.

Note C:
Arrow Pharmaceuticals Pty Limited, Australia, a subsidiary of the Group, completed the acquisition of 100% equity interest in Amneal Pharmaceuticals Pty Limited, Australia.

Consequent to the above, Amneal Pharmaceuticals Pty Limited and Amneal Pharma Australia Pty Limited became part of the Group. The Group has accounted for this acquisition as a purchase of business in accordance with Ind AS 103 "Business Combinations" in these consolidated financial statements with effect from August 31, 2017.

Note D:
The Company entered into a Share Purchase Agreement ('SPA') with Bafna Pharmaceuticals Limited ('Bafna') and

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Bafna Promoters to acquire the remaining 26% equity interest in Strides Healthcare Private Limited, India thereby making it a wholly owned subsidiary of the Group.

Note E:
Strides Pharma Asia Pte Limited, a wholly owned subsidiary of the Group, completed the acquisition of 51.76% controlling interest in Trinity Pharma Proprietary Limited, South Africa ('Trinity').

Consequent to the above, Trinity Pharma Proprietary Limited, South Africa and Apollo Life Sciences Holdings Proprietary Limited, South Africa became part of the Group.

The Group has accounted for this acquisition as a purchase of business in accordance with Ind AS 103 "Business Combinations" in these consolidated financial statements with effect from January 01, 2018.

As on the date of finalisation of these consolidated financial statements, the initial accounting for the above business combination during the year ended March 31, 2018 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	Perrigo API India Private Limited*	Vivimed Global Generics Pte Limited	Amneal Pharmaceuticals Pty Limited	Strides Healthcare Private Limited	Trinity Group
Cash	1,399.99	92.77	636.22	469.36	291.36
Deferred consideration	90.00	-	-	-	-
Total	**1,489.99**	**92.77**	**636.22**	**469.36**	**291.36**

* The Group has also acquired Drug Master Files (DMF's) from Perrigo UK Finoc Limited Partnership, UK and Perrigo API Limited, Israel for a consideration of ₹42.79 Million.

Assets acquired and liabilities recognised at the date of acquisition:

₹ in Million

Particulars	Perrigo API India Private Limited	Vivimed Global Generics Pte Limited	Amneal Pharmaceuticals Pty Limited	Trinity Group
Non-current assets	1,016.75	185.54	385.58	390.11
Current assets	504.93	-	724.27	349.57
Non-current liabilities	-	-	-	(184.63)
Current liabilities	(60.88)	-	(502.20)	(294.22)
Net assets	**1,460.80**	**185.54**	**607.65**	**260.83**

During year ended March 31, 2017:

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

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Note A:
The Group'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 Group'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 Group'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.

The Group has finalised the purchase price allocation of its purchase price for these acquisitions during the current year and accordingly has restated the previous year balances in accordance with Ind AS 103 'Business Combinations'. However, these changes did not have any material impact on the financial statements for the previous year.

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**

Assets acquired and liabilities recognised at the date of acquisition:

₹ in Million

Particulars	Universal Corporation Limited	Generic Partners Group	Smarterpharm Pty Ltd
Non-current assets	1,006.33	999.94	2.12
Current assets	856.02	1,060.20	4.30
Non-current liabilities	(345.30)	(578.05)	-
Current liabilities	(615.92)	(1,330.33)	(1.98)
Net assets	**901.13**	**151.76**	**4.44**

Non-controlling interests

The Group has recognised non-controlling interests in an acquired entity at the non controlling interest's proportionate share of the acquired entity's net identifiable assets. Further, the Group has issued written put options to the non-controlling interests of certain subsidiaries to purchase their equity shares in accordance with the terms of underlying agreement with such shareholders. Should the option be exercised, the Group has to settle such liability by payment of cash. The amount that may become payable under the option on exercise is recognised as a financial liability at its present value with a corresponding charge directly to the shareholders' equity. Details of initial recognition of such gross obligation, non-controlling interests and goodwill arising on such acquisitions have been given in the below table:

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Calculation of Goodwill arising on acquisition:

Acquisitions during the year ended March 31, 2018:

₹ in Million

Particulars	Perrigo API India Private Limited	Vivimed Global Generics Pte Limited	Amneal Pharmaceuticals Pty Limited	Trinity Pharma Proprietary Limited
Consideration transferred	1,489.99	92.77	636.22	291.36
Add: Non-controlling interests	-	92.77	-	125.82
Less: Fair value of identifiable net assets acquired	(1,460.80)	(185.54)	(607.65)	(260.83)
Goodwill arising on acquisition	**29.19**	**-**	**28.57**	**156.35**
Initial recognition of gross obligation over written put options issued to the non-controlling interests	**-**	**-**	**-**	**-**

Goodwill arising on acquisitions pertains to the below Cash generating units

₹ in Million

Particulars	Cash generating units	Amount
Perrigo API India Private Limited	API	29.19
Amneal Pharmaceuticals Pty Limited	Regulated Markets	28.57
Trinity Pharma Proprietary Limited	Regulated Markets	156.35

Acquisition of non-controlling interest in Strides Healthcare Private Limited:

Pursuant to the acquisition of non-controlling interest of 24% in Strides Healthcare Private Limited, the excess of consideration paid over the non-controlling interest balance and gross obligation under written put option carried as on the date of acquisition, has been debited to the equity under the head 'Capital reserve' based on the below calculations:

₹ in Million

Particulars	Strides Healthcare Private Limited
Consideration transferred	469.36
Less: Carrying value of non-controlling interest	(145.32)
Less: Carrying value of gross obligation under written put option	(220.59)
Amount debited to Capital reserve	**103.45**

Acquisitions during the year ended March 31, 2017:

₹ in Million

Particulars	Universal Corporation Limited*	Generic Partners Group*	Smarterpharm Pty Ltd
Consideration transferred	908.04	734.55	99.81
Add: Non-controlling interests	441.55	64.17	-
Less: Fair value of identifiable net assets acquired	(901.13)	(151.76)	(4.44)
Goodwill arising on acquisition	**448.46**	**646.96**	**95.37**
Initial recognition of gross obligation over written put options issued to the non-controlling interests	**944.87**	**1,549.86**	**-**

* Pursuant to the finalisation of initial accounting on business combination during the year, the Group has restated the balance sheet as at March 31, 2017 in accordance with Ind AS 103 'Business Combinations'. However, these changes did not have any material impact on the financial statements for the previous year.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Goodwill arising on acquisitions pertains to the below Cash generating units (CGU)

₹ in Million

Particulars	Cash generating units	Amount
Universal Corporation Limited	Emerging Markets	448.46
Generic Partners Group	Regulated Markets	646.96
Smarterpharm Pty Ltd	Regulated Markets	95.37

Goodwill arose in the acquisition of the above said entities because the consideration paid for the combinations effectively included amounts in relation to the benefit of expected synergies, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Net cash outflow on acquisition of subsidiaries / Business

₹ in Million

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Consideration paid in cash	2,889.70	1,742.40
Less: Cash and cash equivalent balances acquired	(505.19)	(839.73)
Net cash outflow on acquisition	2,384.51	902.67

Impact of acquisitions on the results of the Group:

Acquisitions during 2017-18:

Results from continuing operations for the year ended March 31, 2018 includes the following revenue and profit generated from the new acquisitions:

₹ in Million

Particulars	Perrigo API India Private Limited	Vivimed Global Generics Pte Limited	Amneal Pharmaceuticals Pty Limited	Trinity Pharma Proprietary Limited
Revenue	259.67	-	965.63	244.74
Profit for the year	(165.87)	(15.00)	308.24	4.98

The above excludes impact of unwinding of discount on gross obligation towards written put options given to non controlling interests.

If the acquisition had occurred on April 1, 2017, management estimates that consolidated revenue for the Group would have been ₹34,020 Million and the profit after taxes would have been ₹6,898 Million for twelve months ended March 31, 2018. The pro-forma amounts are not necessarily indicative of the results that would have occurred if the acquisition had occurred on date indicated or that may result in the future.

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:

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

₹ 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.

If the acquisition had occurred on April 1, 2016, management estimates that consolidated revenue for the Group would have been ₹36,125 Million and the profit after taxes would have been ₹4,709 Million for twelve months ended March 31, 2017. The pro-forma amounts are not necessarily indicative of the results that would have occurred if the acquisition had occurred on date indicated or that may result in the future.

In determining the 'pro-forma' revenue and profit of the Group had new entity / business been acquired at the beginning of the current year, the Group has:

- calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements;
- calculated borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination; and
- excluded takeover defence costs of the acquiree as a one-off pre-acquisition transaction.

Note No. 39 // Discontinued operations:

The combined results of the discontinued operations of the businesses disposed-off as explained in Notes 39.1 to 39.4, are set out below. The comparative profit and cash flows from discontinued operations have been presented as if these operations were discontinued in the prior year as well.

₹ in Million

Particulars	Reference	Year ended	
		March 31, 2018	March 31, 2017
Revenue		4,992.53	10,707.75
Other income		12.40	184.61
Total revenue from discontinued operations (I)		5,004.93	10,892.36
Depreciation and amortisation expense		398.91	725.43
Other expenses charged-off to the Statement of Profit and Loss		5,450.61	10,812.10
Total expenses from discontinued operations (II)		5,849.52	11,537.53
Loss from discontinued operation (III = I - II)		(844.59)	(645.17)
Gain / (loss) on disposal of:			
- pursuant to the scheme of demerger	39.1	6,885.08	-
- investments in entities manufacturing specialty products	39.2	(216.55)	2,204.12
- India branded generics business	39.3.1	1,545.98	-
- investments in Shasun Pharma Solutions Limited	39.3.2	-	111.57
- biotech business pursuant to loss of control	39.3.3	-	1,107.78
- investment in Strides Biologix Private Limited	39.3.4	-	38.67
- pharma generics business in Africa	39.3.5	(1,111.42)	(1,118.11)
- Nicotine Replacement Therapy (NRT) business in USA	39.3.6	-	(158.62)
Net gain / (loss) on disposal of businesses (IV)		7,103.09	2,185.41
Gain / (Loss) from discontinued operations before tax (V = III + IV)		6,258.50	1,540.24
Attributable income tax expense (VI)		157.27	(122.13)
Net gain / (loss) from discontinued operations after tax (V - VI)		6,101.23	1,662.37

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Cash flows from discontinued operations

₹ in Million

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Net cash inflows/(outflows) from operating activities	(115.18)	253.72
Net cash inflows/(outflows) from investing activities*	4,148.79	(1,998.94)
Net cash inflows/(outflows) from financing activities	1,152.85	2,766.46
Net cash inflows/(outflows)	5,186.46	1,021.24

* including cash flow on disposal of assets and liabilities of the discontinued operations

39.1 Demerger:

39.1.1 Demerger of Commodity API business:

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

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

The Scheme has an Appointed date of October 1, 2017.

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

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

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

Pursuant to the Scheme, duly sanctioned by the National Company Law Tribunal, Mumbai, vide Order dated March 9, 2018, ('Order') with effect from the Appointed Date i.e. October 1, 2017, the "Commodity API business" of the Group was transferred to Solara Active Pharma Sciences Limited (Solara). In accordance with Section 230 of Companies Act, 2013, the Group filed the NCLT order with Ministry of Company Affairs (Registrar of Companies) on March 31, 2018. Consequent to the filing, the Scheme became effective from March 31, 2018.

Pursuant to the Scheme, the Group has transferred the assets and liabilities pertaining to the Commodity API business with effect from the Appointed Date to Solara. In line with the accounting prescribed in the Scheme, the net assets transferred amounting to ₹1,971.57 Million have been derecognised with a corresponding debit to the securities premium.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Details of assets and liabilities pertaining to Commodity API business are given below:

₹ in Million

Particulars	01-Oct-17
Non-Current assets	4,498.42
Current assets	4,019.02
Total assets (A)	**8,517.44**
Non-Current liabilities	2,242.24
Current liabilities	4,303.63
Total liabilities (B)	**6,545.87**
Net asset debited to Securities premium reserve (A-B)	**1,971.57**

The demerger of this business was accounted for as a distribution to owners in accordance with Appendix A ('Distribution of Non-cash Assets to Owners') to Ind AS 10: Events after the Reporting Period.

In accordance with the above, the Group fair valued the Commodity API business as on the appointed date and the excess of the fair value of the Commodity API business and the net assets transferred has been credited to the statement of profit and loss.

The fair valuation of the Commodity API business was carried out by independent valuers who valued it at ₹9,010.00 Million.

The excess of the fair value over the net assets amounting to ₹7,038.43 Million was recognised as a non cash gain in the statement of profit and loss as 'Gain on disposal of assets attributable to discontinued operations', in accordance with Appendix A to Ind AS 10.

Further, the net assets of the subsidiaries included as part of demerger under the scheme amounting to ₹153.35 Million (net of non-controlling interest) has been debited to the statement of profit and loss as 'Gain on disposal of assets attributable to discontinued operations'.

Pursuant to the above, the net credit to the statement of profit and loss pursuant to demerger is as below:

₹ in Million

Particulars	Amount
Excess of fair value of the Commodity API business over the net assets transferred	7,038.43
Less: Net assets of the subsidiaries part of demerger	(181.52)
Add: Non-controlling interest pertaining to the demerged subsidiaries	28.17
Gain on disposal of assets attributable to discontinued operations	**6,885.08**

On completion of the demerger of the Commodity API business, the following entities and investments ceased to be part of the Group:

a. Solara Active Pharma Sciences Limited, India
b. Shasun USA Inc, USA
c. Chemsynth Laboratories Private Limited, India
d. Clarion Wind Farm Private Limited, India
e. Tulsyan Lec Limited, India
f. SIPCOT Industrial Common Utilities Limited, India

Pursuant to the Scheme, eligible employees were given option to accelerate their Employees Stock options under ESOP 2015 Scheme and subsequent to the year end, 8,878 equity shares have been allotted for the employees who exercised their options.

The accounting prescribed under the Scheme as approved by NCLT is in accordance with Ind AS except that the accounting standard would have required to account for this transaction on date of filing the

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

NCLT approval with Registrar of Companies and not effective October 1, 2017. Accordingly, had this not been an NCLT approved Scheme, the API business would have continued to be consolidated for the six months period ended March 31, 2018 with a revenue of approx. ₹3,589.00 Million and expenses of approx. ₹3,536.40 Million as determined by the Management.

39.2 Sale of investments in entities manufacturing specialty products

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

The sale of shares of ASPL was recorded by the Company in terms of the Sale and Purchase Agreement dated December 4, 2013 (the "India SPA"). The sale of shares of Agila Global was recorded by Strides Singapore in terms of another Sale and Purchase Agreement dated December 4, 2013 (the "Global SPA").

The Company, as part of the sale, has provided a corporate guarantee to Mylan Inc. for USD 200 Million (valid up to December 4, 2020) on behalf of Strides Singapore which can be used for discharging specified financial obligations, if any, of Strides Singapore to Mylan, which has been included under contingent liabilities as at March 31, 2018 and March 31, 2017 in Note 41.

39.2.1 Income recognised under discontinued operations:

In accordance with the terms of the India SPA and the Global SPA (together the "SPA"s) and other transaction documents, certain amounts were set aside under separate deposit / escrow accounts which were required to be utilised for specified expenses during the specified period. These included separate escrow / deposit of USD 100 Million in respect of potential claims in relation to certain regulatory concerns ("Regulatory escrow") and USD 100 Million in respect of potential claims in relation to the warranties and indemnities, including in relation to tax ("General claims escrow"). Further, ₹850 Million was set aside in separate Escrow for payment to certain specified senior management personnel of ASPL and its subsidiary.

Any unutilised amounts from the deposit / escrow accounts after the specified period were payable to the respective entities of the Group. Given the uncertainties involved and in the absence of a right to receive, the amounts under the deposit / escrow arrangements were not included in the consideration accounted as income by the Group at the time of disposal of the investments. Receipts from these deposit / escrow accounts were recognised subsequently (net of related expenses incurred) in the period in which such amounts were received by the Group.

During the year ended March 31, 2018, the Group has incurred certain legal and professional fee in respect to the arbitration of third party claims amounting to ₹216.55 Million. This has been recognised as loss under discontinued operations.

During the year ended March 31, 2017, the Group had received ₹1,897.62 Million (USD 28.33 Million) on account of full and final settlement of claims against the Regulatory escrow. This had 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.

The Group had considered hive-off of the Specialties business as discontinued operations. Accordingly, the income/ (loss) referred above have been recognised under discontinued operations as under:

₹ in Million

Particulars	March 31, 2018	March 31, 2017
(Loss)/Gain on settlement of contingencies attributable to the discontinued operations (net)	(216.55)	2,204.12
Profit before tax from discontinued operations	(216.55)	2,204.12

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Cash flows from discontinued operations

₹ in Million

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Net cash inflows/(outflows) from operating activities	-	-
Net cash inflows/(outflows) from investing activities	(251.07)	1,731.08
Net cash inflows/(outflows) from financing activities	-	-
Net cash inflows/(outflows)	(251.07)	1,731.08

39.2.2 Assessment of notification of claims against the Group under the terms of SPAs:

During the current and earlier years, the Company received notifications of claims from Mylan under the terms of the SPAs. These included claims against the regulatory escrows, tax claims, warranty and indemnity claims, and third party claims. Under the terms of the SPAs, claims against the Company / Strides Singapore can only be made under specific provisions contained in the SPAs which include the procedures and timelines for submission of notifications of claims and actual claims and commencing arbitration proceedings.

During the previous year, all claims towards regulatory expenses had been settled and the Group had received USD 28.33 Million as full and final settlement from out of the Regulatory Escrow deposit. The Company and Mylan had also agreed on full and final settlement of warranty and indemnity claims which were adjusted against the General Claims escrow.

As at March 31, 2018, the outstanding claims relate to certain tax claims and third party claims. The third party claims are in arbitration currently. It is often difficult to predict with accuracy the outcome of such matters. The Company believes that the third party claims have been effectively defended by the Company. 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.

39.3 Disposal of investment in other entities:

39.3.1 Sale of India branded generics business:

During the current year, the Group entered into a Business Transfer Agreement ('BTA') and Share Purchase Agreement ('SPA') with Eris Lifesciences Limited ('Eris') for sale of India brands division and for sale of 100% equity interest in Strides Healthcare Private Limited ('SHPL'), collectively referred to as 'India branded generics business', for an aggregate consideration of ₹4,100 Million and ₹900 Million respectively, exclusive of working capital adjustment. The disposal was completed on December 1, 2017 on which date the business was transferred to the acquirer. Details of assets and liabilities disposed off, and the calculation of the profit or loss on disposal are explained below:

(a) Consideration received

₹ in Million

Particulars	India brands division	SHPL	Total
Consideration received in cash and cash equivalents	4,033.01	900.00	4,933.01
Total consideration	4,033.01	900.00	4,933.01

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

(b) Carrying value of asset and liabilities as on the date of disposal

₹ in Million

Particulars	India brands division	SHPL	Total
Non-current assets	2,301.40	560.88	2,862.28
Current assets	317.38	0.77	318.15
Non-current liabilities	(4.16)	-	(4.16)
Current liabilities	(91.80)	(2.58)	(94.38)
Net assets disposed off	**2,522.82**	**559.07**	**3,081.89**

(c) Gain on disposal

₹ in Million

Particulars	India brands division	SHPL	Total
Consideration received	4,033.01	900.00	4,933.01
Net assets disposed off	(2,522.82)	(559.07)	(3,081.89)
Expenses pertaining to disposal	(305.14)	-	(305.14)
Gain on disposal	**1,205.05**	**340.93**	**1,545.98**

(d) Net cash inflow on disposal

₹ in Million

Particulars	Year ended March 31, 2018
Consideration received in cash and cash equivalents	4,933.01
Less: Cash and cash equivalent balances disposed off	(0.53)
Net Cash inflow	4,932.48

39.3.2 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, had 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	March 31, 2017
Consideration received in cash and cash equivalents	563.76
Total consideration	**563.76**

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

(b) Carrying value of asset and liabilities as on the date of disposal

₹ in Million

Particulars	As at September 30, 2016
Non-current assets	1,291.38
Current assets	1,499.32
Non-current liabilities	(1,270.07)
Current liabilities	(1,074.75)
Net assets disposed off	**445.88**

(c) Gain on disposal of subsidiary

₹ in Million

Particulars	Year ended March 31, 2017
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**

(d) Net cash inflow on disposal of subsidiary

₹ in Million

Particulars	Year ended March 31, 2017
Consideration received in cash and cash equivalents	563.76
Less: Cash and cash equivalent balances disposed off	(14.13)
Net Cash inflow	**549.63**

39.3.3 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, had 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 had 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 activities and also the fact that the resolution in the meeting of Board of Directors can be passed by a simple majority of the directors and the requirement of minimum of 1 director each

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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 had 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, was accounted under discontinued operations for the year ended March 31, 2017.

Pursuant to the investment by other shareholders, the effective shareholding in Stelis as at March 31, 2018 stands at 53.47%.

(a) Fair value of Investment on the date of loss of control

Particulars	March 31, 2017
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 March 31, 2017
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

(c) Gain on loss of control

₹ in Million

Particulars	Year ended March 31, 2017
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

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

(d) Net cash outflow on disposal

₹ in Million

Particulars	Year ended March 31, 2017
Consideration received in cash and cash equivalents	-
Less: Cash and cash equivalent balances disposed off	(586.15)
Net Cash outflow	**(586.15)**

39.3.4 Sale of investment in Strides Biologix Private Limited:

The Company had 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	March 31, 2017
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 March 31, 2017
Non-current assets	92.51
Current assets	17.71
Non-current liabilities	(5.90)
Current liabilities	(44.11)
Net assets disposed off	**60.21**

(c) Gain on disposal

₹ in Million

Particulars	Year ended March 31, 2017
Consideration received	57.50
Net assets disposed off	(60.21)
Non-controlling interests	41.38
Gain on disposal	**38.67**

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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 ₹203.19 Million and payment of ₹24.00 Million towards disposal of put option, amounting to ₹179.19 Million was recognised in equity, during the year ended March 31, 2017.

(d) Net cash inflow on disposal

₹ in Million

Particulars	Year ended March 31, 2017
Consideration received in cash and cash equivalents	57.50
Less: Cash and cash equivalent balances disposed off	(0.72)
Net Cash inflow	**56.78**

39.3.5 Sale of Pharma generics business in Africa:

Pursuant to the terms of Shareholders agreement entered on March 30, 2017, the Group had disposed-off its Pharma Generics business in Africa. Consequently, the following subsidiaries / Joint ventures / divisions ceased to be part of Strides Group:

(i) African Pharmaceutical Development Company
(ii) Congo Pharma SPRL
(iii) Sorepharm SA
(iv) Strides Pharma Botswana (Pty) Limited
(v) Strides Pharma Cameroon Limited
(vi) Strides Pharma Mozambique, SA
(vii) Strides Pharma Namibia Pty Limited
(viii) Strides Vital Nigeria Limited
(ix) SPC Co. Limited
(x) Pharma Generics Manufacturing division of the Company in Palghar, Maharashtra.

The disposal was completed on March 31, 2017, on which date control passed to the acquirer.

The Group had certain trade receivables from customers in different African geographies which the management intended to collect through the buyer of the Pharma generics business. However, on account of significant delays in the collections of these trade receivables, the management of the Group has decided to provide for uncollected trade receivables to the extent of ₹1,111.42 Million.

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	March 31, 2017
Consideration received in cash and cash equivalents	165.49
Deferred sales proceeds	739.12
Total consideration	**904.61**

During the current year, the Group has received ₹700.02 Million out of the deferred sale proceeds. The remaining balance of consideration amounting to ₹39.10 Million has been received subsequent to the year ended March 31, 2018.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

(b) Carrying value of assets (other than goodwill) and liabilities derecognised pursuant to disposal

₹ in Million

Particulars	As at March 31, 2017
Non-current assets	1,137.26
Current assets	1,175.16
Non-current liabilities	(1,574.73)
Current liabilities	(1,109.73)
Net liabilities disposed off	**(372.04)**

(c) Loss on disposal

₹ in Million

Particulars	For the year ended March 31, 2017
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	Year ended March 31, 2017
Consideration received in cash and cash equivalents	165.49
Less: Cash and cash equivalent balances disposed off	(54.47)
Net Cash inflow	**111.02**

39.3.6 Nicotine Replacement Therapy (NRT) business in USA:

The Group had incurred certain capital expenditure to set-up NRT business in USA. However, during the year ended March 31, 2017, pursuant to unfavourable business environment, this business was discontinued and resulting loss of ₹158.62 Million was recognised under discontinued operations.

39.4 Strides API Research Centre ('SRC') - Held for sale:

The Board of directors of the Company approved the sale of SRC to Solara Active Pharma Sciences Limited on March 31, 2018. Subsequently on April 20, 2018, the Group entered into Business Purchase Agreement with Solara Active Pharma Sciences Limited, India ('Solara') to sell the assets (consisting of Plant & machinery, equipment, computer software and other related capital work in progress) and business conducted by the Group at Strides API Research Centre ('SRC') along with the employees for a consideration of ₹357.28 Million and working capital subject to adjustment and finalisation for ₹8.26 Million.

The Group has classified the assets of the SRC unit as 'Assets Held for Sale' as on March 31, 2018. Accordingly, the results of the SRC unit are included in the discontinued operations.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

(a) Carrying value of asset and liabilities classified as held for sale

₹ in Million

Particulars	As at March 31, 2017
Non-current assets	343.70
Current assets (includes cash and cash equivalent of ₹0.02 Million)	26.91
Total assets of disposal group held for sale	**370.61**
Non-current liabilities	(8.26)
Current liabilities	(23.09)
Total liabilities of disposal group held for sale	**(31.35)**

Note No. 40 // Commitments

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account (Tangible & Intangible assets) and not provided for (net of advances)	393.33	1,045.86

Note No. 41 // Contingent liabilities (to the extent not provided for)

₹ in Million

Particulars		March 31, 2018	March 31, 2017
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.	1,429.13	1,368.18
	- 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.	672.62	577.86
b)	**Corporate Guarantees (also refer note 39.2)**	30,375.71	29,855.50

(i) Corporate Guarantee for sale of investment in Ascent Pharma Health ('APH'):

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

In connection with the sale of investments in APH, the Company had given a guarantee to Watson in respect of certain matters to the extent of AUD 352.61 Million. During the previous year, pursuant to release of guarantees to the extent of AUD 88.15 Million, the outstanding guarantee was reduced to AUD 264.46 Million (As at March 31, 2018: ₹13,208.72 Million; As at March 31, 2017: ₹13,085.08 Million).

The Company has evaluated the possible exposure on the guarantee and believes that there is no probability of any present or future obligation under the said guarantee as at March 31, 2018 and March 31, 2017. The above guarantee has been included as contingent liabilities.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

(ii) Other than the matters disclosed above, the Group is also involved in other disputes including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view that the resolution of these disputes will not have any material adverse effect on the Group's financial position or results of operations.

Note No. 42 // Segment Information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and assessing performance. The Group's CODM is the Managing Director.

In the previous year, the Group had identified two (2) business segments viz., "Pharmaceutical business" and "Biotech business". With effect from March 31, 2017, pursuant to loss of control over Stelis Biopharma Private Limited, India ('Stelis', the only entity of the Group that was engaged in Biotech business) Stelis ceased to be subsidiary of the Group but became an associate of the Group (Refer note 39.3.3). The Group's operations for the current year relate only to the "Pharmaceutical business" and accordingly no separate disclosure for business segments is being provided.

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.

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 March 31, 2017		
	Business segments		Total
	Pharma-ceutical	Biotech	
Revenue	**36,748.35**	**-**	**36,748.35**
Segment result	5,240.08	(255.59)	4,984.49
Unallocable expenses (net)			
Finance costs			(2,351.15)
Items considered under exceptional items:			
Profit on disposal of discontinued business			2,185.41
Exchange (loss)/gain on long-term foreign currency loans, intra-group loans			(250.09)
Business combination and restructuring expenses			(234.25)
Unwinding of discount on gross obligations over written put options to NCI			(118.81)
Fair valuation of derivative instruments			(63.23)
Share of profit / (loss) of joint ventures and associates			**3.64**
Interest income and Income from current investment designated at FVTPL			**815.38**
Profit before taxes			**4,971.39**
Tax expense			511.92
Profit for the year (before allocation to non controlling interest)			**4,459.47**
Other information			
Depreciation and amortisation (allocable)	1,946.40	40.54	1,986.94
Other significant non-cash expenses (allocable):			
- Provision for doubtful trade and other receivables	6.04	-	6.04
- Expenses on Employee Stock Option Plans	54.71	-	54.71
- Write down of inventories and other assets	854.65	115.71	970.36
Other significant non-cash expenses (unallocable):			
- Unwinding of discount on gross obligations over written put options to NCI			118.81
- Fair valuation of derivative instruments			63.23

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Segment assets and liabilities as at March 31, 2017

₹ in Million

Particulars	Pharma-ceutical	Biotech	Total
Segment assets	61,857.34	2,049.42	63,906.76
Unallocable assets			17,143.04
Total assets			**81,049.80**
Segment liabilities	9,856.82	-	9,856.82
Unallocable liabilities			42,369.74
Total liabilities			**52,226.56**

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	
	March 31, 2018	March 31, 2017
Africa	3,606.03	5,107.49
Australia	9,455.81	9,345.34
Asia	797.61	1,905.82
North America	11,568.94	10,282.91
Europe	2,871.08	5,114.17
India	4,278.24	4,920.03
Others	65.98	72.59
Total	32,643.69	**36,748.35**

Information regarding geographical assets is as follows:

₹ in Million

Geography	As at	
	March 31, 2018	March 31, 2017
Africa	5,997.32	5,190.78
Australia	18,279.32	18,947.37
Asia	16,929.81	13,087.75
North America	3,646.82	4,795.08
Europe	2,142.89	2,430.25
India	9,362.45	19,365.23
Others	6.67	90.30
Total	56,365.28	**63,906.76**

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Note No. 43 //

Intra-group loans amounting to USD 21.87 Million (previous year USD 34.45 Million) given by Strides Pharma Global Pte Limited, Singapore to its subsidiary Arrow Pharmaceuticals Pty Limited, Australia, are recognised as net investment in non-integral foreign operations in accordance with Ind AS 21 'The Effect of Changes in Foreign Exchange Rates', and exchange fluctuation gain of ₹2.02 Million for the year ended March 31, 2018 (previous year exchange fluctuation loss: ₹56.01 Million) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income.

Further, Intra-group loans amounting to USD 3.37 Million (previous year Nil) given by Strides Pharma (Cyprus) Limited, Cyprus to its subsidiary Strides Lifesciences Limited, Nigeria, are recognised as net investment in non-integral foreign operations in accordance with Ind AS 21 'The Effect of Changes in Foreign Exchange Rates', and exchange fluctuation loss of ₹14.99 Million (previous year Nil) arising out of reinstatement of such loans has been accumulated in foreign currency translation reserve through other comprehensive income.

During the year ended March 31, 2017, Intra-group loans amounting to USD 7.80 Million given by Strides Pharma (Cyprus) Limited, Cyprus to its subsidiary Strides Vital Nigeria Limited, Nigeria, were 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 arising out of reinstatement of such loans were accumulated in foreign currency translation reserve through other comprehensive income. Pursuant to the disposal of Strides Vital Nigeria Limited, Nigeria (as explained in note 39.3.5), the accumulated exchange differences of ₹565.93 Million were reclassified to the Statement of profit and loss under discontinued operations for the year ended March 31, 2017.

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. No options were granted under this plan during the current year.

Pursuant to the Scheme of demerger (refer note 39.1), eligible employees were given option to accelerate their Employees Stock options under ESOP 2015 Scheme, subsequently 8,878 equity shares have been allotted on April 6, 2018 for the employees who exercised their options. The Company recognised expenses of ₹2.39 Million during the year ended March 31, 2018 on account of acceleration.

As at March 31, 2016, additional 6,813 options were reserved for issue to the eligible 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, 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 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 200,000 options under this scheme during the current year.

(d) During the current year, Employee compensation costs of ₹24.52 Million (for the year ended March 31, 2017: ₹ 54.71 Million) (including costs debited to discontinued operations) relating to the above referred various Employee Stock Option Plans have been charged to the statement of profit and loss.

Fair value of share options granted during the year

The fair value of the share options granted under ESOP 2016 Lot II and ESOP 2016 Lot III are ₹435.06 and ₹374.59 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.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Inputs into the model -

Particulars	ESOP 2016 Lot II	ESOP 2016 Lot III
No. of options	100,000	100,000
Grant date share price (₹)	1,037.51	896.72
Exercise price (₹)	792.45	656.10
Expected volatility (%)	42.86%	38.96%
Option life (years)	3 years	3 years
Expected Dividend (%)	40.00%	40.00%
Risk-free interest rate (%)	6.73%	6.52%

Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2017-18		During the year 2016-17	
	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	170,000	543.62	265,000	499.77
- ESOP 2015	23,097	273.92	-	-
- ESOP 2016	100,000	841.25	-	-
Granted during the year:				
- ESOP 2011	-	-	-	-
- ESOP 2015	-	-	37,438	273.92
- ESOP 2016	200,000	724.28	100,000	841.25
Exercised during the year:				
- ESOP 2011	50,000	322.30	70,000	456.67
- ESOP 2015	7,029	273.92	7,028	273.92
- ESOP 2016	20,000	841.25	-	-
Lapsed/ cancelled during the year:				
- ESOP 2011	80,000	792.60	25,000	322.30
- ESOP 2015	5,376	273.92	7,313	273.92
- ESOP 2016	-	-	-	-
Options outstanding at the end of the year*:				
- ESOP 2011	40,000	322.30	170,000	543.62
- ESOP 2015	10,692	273.92	23,097	273.92
- ESOP 2016	280,000	757.70	100,000	841.25
Options available for grant:				
- ESOP 2011	-	-	-	-
- ESOP 2015	-	-	-	-
- ESOP 2016	2,700,000	-	2,900,000	-

* Includes options vested but not exercised as at March 31, 2018. ESOP 2011- 40,000 and ESOP 2015-8,878.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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 ₹166.75 Million (previous year: ₹181.32 Million) (including costs debited to discontinued operations) for provident fund contributions, ₹9.97 Million (previous year: ₹8.61 Million) (including costs debited to discontinued operations) for employee state insurance scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The Group has no obligations beyond its contributions.

Defined benefit plan

The Company and its Indian subsidiaries offers gratuity benefits, a defined employee benefit scheme to its employees.

Composition of the plan assets

The fund is managed by LIC , the fund manager. The details of composition of plan assets managed by the fund manager is not available with the Company. However, the said funds are subject to Market risk (such as interest risk, investment risk, etc.).

The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	March 31, 2018	March 31, 2017
Discount rate(s)	6.90% - 7.55%	6.75%-8%
Expected rate(s) of salary increase	7.50% - 10%	9% - 10%
Mortality Rate	As per IALM (2006-08) ultimate	
Retirement age (years)	58 years	58 years

Amounts recognised in consolidated statement of profit and loss in respect of these defined benefit plans are as follows:

₹ in Million

	March 31, 2018	March 31, 2017
Service cost:		
Current service cost	49.45	41.67
Past service cost and (gain)/loss from settlements	25.76	-
Net interest expense	8.74	10.20
Components of defined benefit costs recognised in statement of profit and loss	83.95	51.87
Remeasurement on the net defined benefit liability:		
Remeasurement return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	4.03	(3.26)
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.01)	(3.17)
Actuarial (gains) / losses arising from changes in financial assumptions	(5.60)	26.12
Actuarial (gains) / losses arising from experience adjustments	2.98	125.67
Components of defined benefit costs recognised in other comprehensive income	1.40	145.36
Total	85.35	197.23

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss. The remeasurernent of the net defined benefit liability is included in other comprehensive income.

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

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Present value of funded defined benefit obligation	302.72	544.19
Fair value of plan assets	(153.74)	(314.55)
Funded status	148.98	229.64
Disclosed in liabilities directly attributable to the assets held for sale	(8.25)	-
Net liability arising from defined benefit obligation	140.73	229.64

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

₹ in Million

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Opening defined benefit obligation	544.19	371.54
Add/(less) on account of acquisitions / business transfers	3.76	(27.79)
(Less): Pursuant to the scheme of demerger	(291.94)	-
Expenses recognised in statement of profit and loss		
Current service cost	49.45	41.67
Past service cost	25.76	-
Interest cost	26.28	28.93
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	(0.01)	(3.17)
Actuarial gains and losses arising from changes in financial assumptions	(5.60)	26.12
Actuarial gains and losses arising from experience adjustments	2.98	125.67
Benefits paid	(52.15)	(24.42)
Others	-	5.64
Closing defined benefit obligation	302.72	544.19

Movements in the fair value of the plan assets are as follows:

₹ in Million

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Opening fair value of plan assets	314.55	240.01
Add/(less) on account of acquisitions / business transfers	6.99	-
Pursuant to scheme of demerger	(170.41)	-
Interest income	-	18.73
Remeasurement gain / (loss):		
Remeasurement return on plan assets (excluding amounts included in net interest expense)	17.54	3.26
Contributions from the employer	41.25	76.30
Actuarial gain / (loss) on plan assets	(4.03)	-
Benefits paid	(52.15)	(23.75)
Closing fair value of plan assets	153.74	314.55

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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 ₹288.92 Million / (₹317.97 Million) as at March 31, 2018.

If the expected salary growth increases / (decrease) by 1%, the defined benefit obligation would be ₹315.70 Million / (₹290.50 Million) as at March 31, 2018.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Group to manage its risks from prior periods.

Expected future Cash outflows towards the plan are as follows:

₹ in Million

Financial Year	Amount
2018-19	53.12
2019-20	41.16
2020-21	38.19
2021-22	38.06
2022-23	35.26
2023-24 to 2028-29	119.14

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 ₹263.33 Million (Previous year ₹251.44 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:

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Non-cancellable operating lease commitments

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Not later than 1 year	191.21	197.61
Later than 1 year and not later than 5 years	556.33	614.16
Later than 5 years	787.74	927.52
Total	1,535.28	1,739.29

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	March 31, 2018	March 31, 2017
Gross carrying amount of assets leased	849.37	776.40
Accumulated depreciation	119.34	77.67
Future minimum lease income:		
Not later than 1 year	59.45	56.08
Later than 1 year but not later than 5 years	141.04	200.49
Later than 5 years	-	-
Total	200.49	256.57

Note No. 47 // Obligations under finance leases

Leasing arrangement

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

Finance lease liabilities

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Future minimum lease payments:		
Not later than 1 year	24.85	30.12
Later than 1 year but not later than 5 years	28.72	55.29
Later than 5 years	-	-
Total	53.57	85.41
Less: Unmatured finance charges	(5.52)	(12.45)
Present value of minimum lease payments payable	48.05	72.96
Up to 1 year	20.81	23.40
From 1 year to 5 years	27.24	49.56
Above 5 years	-	-

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Details of assets taken on finance lease:

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Gross block:		
Plant and equipment	14.11	12.84
Office equipment	87.99	87.99
Vehicles	10.46	13.97
Total Gross Block	112.56	114.80
Net Block:		
Plant and equipment	9.56	11.05
Office equipment	39.56	57.16
Vehicles	4.75	9.60
Total Net Block	53.87	77.81

Note No. 48 // Earnings per share

₹

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Basic earnings per share:		
From continuing operations	5.63	26.13
From discontinued operations	68.18	18.60
Total basic earnings per share	73.81	44.73
Diluted earnings per share:		
From continuing operations	5.62	26.08
From discontinued operations	68.16	18.56
Total diluted earnings per share	73.78	44.64

Earnings used in computing basic and diluted earnings per share

₹ in Million

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Profit/(loss) attributable to the equity holders of the Company		
From continuing operations	503.46	2,335.13
From discontinued operations	6,101.23	1,662.37
Total operations	6,604.69	3,997.50

Weighted average number of shares used as the denominator

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Weighted average number of equity shares used as denominator in calculating basic earnings per share	89,479,936	89,368,039
Adjustments for calculation of diluted earnings per share:		
- employee stock options	31,334	179,220
Weighted average number of equity shares used as denominator in calculating diluted earnings per share	89,511,270	89,547,259

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Note No. 49 // Related party transactions : List of related parties

Relationship	Name
Joint Ventures (JV):	Akorn Strides LLC, USA (50%) (liquidated effective August 4, 2017)
	MyPak Solutions Australia Pty Limited, Australia (formerly, MyPak Solutions Pty Limited) (with effect from March 29, 2018)
	Shasun NBI LLC, USA (50%) (liquidated effective October 25, 2017)
	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
	Generic Partners (R&D) Pte Limited, Singapore
	Regional Bio Equivalence Centre S.C., Ethiopia (with effect from May 1, 2016)
	Vivimed Life Sciences Private Limited (with effect from May 18, 2017)
	Stelis Biopharma Private Limited (with effect from March 31, 2017)
Key Management Personnel (KMP):	Arun Kumar, Chairman (with effect from May 18, 2017)
	Abhaya Kumar, Executive Director (Resigned on May 18, 2017)
	Shashank Sinha, Managing Director (with effect from May 18, 2017)
	Badree Komandur, Executive Director (with effect from May 18, 2017)
	Manjula Ramamurthy, Company Secretary (with effect from February 3, 2017)
	A.K.Nair, Non-Executive Director (Resigned on May 18, 2017)
	Bharat Shah, Non-Executive Director
	Deepak Vaidya, Chairman (upto May 18, 2017), Non-Executive Director
	Homi R Khusrokhan, Non-Executive Director (with effect from May 18, 2017)
	M.R. Umarji, Non-Executive Director (Resigned on May 18, 2017)
	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 KMP and relative of KMP:	Atma Projects, India
	Chayadeep Properties Private Limited, India
	Devendra Estates LLP, India (upto May 18, 2017)
	Nutra Specialties Private Limited, India (upto May 18, 2017)
	SeQuent Scientific Limited, India
	SeQuent Research Limited, India
	Shasun Leasing and Finance Limited, India (upto May 18, 2017)
	Solara Active Pharma Sciences Limited, India (with effect from October 1, 2017)
	Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited) - (with effect from September 30, 2016)
	Tenshi Kaizen Private Limited (formerly, Higher Pharmatech Private Limited), India
	Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private Limited, India (51%) (with effect from March 31, 2017)

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Related party closing balances

₹ in Million

		Joint ventures and Associates		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Other Financial Assets (Liabilities) and Other Assets (Liabilities):							
1	Stelis Biopharma Private Limited*	2.40	27.85				
2	Solara Active Pharma Sciences Limited					(250.00)	-
3	Generic Partners (R&D) Pte Limited	450.88	-				
4	MyPak Solutions Australia Pty Limited	270.58	-				
5	Tenshi Kaizen Private Limited (formerly, Higher Pharmatech Private Limited)					(0.07)	-
6	Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private Limited)					2.45	3.42
7	Vivimed Life Sciences Private Limited	15.11	-				
8	Mr. Badree Komandur			-	0.05		
9	Mr. Shashank Sinha			1.67	-		
Loans receivable as at:							
1	Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private Limited)					-	5.65
2	Generic Partners (R&D) Pte Limited	412.45	-				
Balance of deposits paid							
1	Atma Projects					50.13	50.13
2	Chayadeep Properties Private Limited					7.35	7.35
Balance of trade payables (net of advance paid) as at:							
1	Atma Projects					(10.25)	-
2	Chayadeep Properties Private Limited					(1.29)	(0.61)
3	Nutra Specialities Private Limited					-	(0.60)
4	SeQuent Scientific Limited					-	(84.51)
5	Sterling Pharma Solutions Limited					-	(6.85)
6	SeQuent Research Limited					(4.32)	(3.09)
7	Solara Active Pharma Sciences Limited					(267.49)	-
8	Tenshi Kaizen Private Limited (formerly, Higher Pharmatech Private Limited)					(2.32)	-
9	Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private Limited)					-	(0.46)
Balance of trade receivables (net of advance received) as at:							
1	Chayadeep Properties Private Limited					-	0.16
2	SeQuent Scientific Limited					7.43	1.52
3	Solara Active Pharma Sciences Limited					0.03	-
4	Sterling Pharma Solutions Limited					-	64.25
5	Stelis Biopharma Private Limited*	20.93	12.45				
6	Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private Limited)					-	1.71
7	Vivimed Life Sciences Private Limited	0.78	-				
Guarantees given on behalf of							
1	Stelis Biopharma Private Limited*	3,812.99	3,798.42				
2	Vivimed Life Sciences Private Limited	320.00	-				

* Refer note 39.3.4

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Related party transactions

₹ in Million

Nature of Transactions	Joint ventures and Associates		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
Sales of materials/services						
1 Nutra Specialities Private Limited					-	8.57
2 SeQuent Scientific Limited					-	1.45
3 Tenshi Kaizen Private Limited (formerly, Higher Pharmatech Private Limited)					0.06	-
4 MyPak Solutions Australia Pty Limited	176.92	-				
5 Vivimed Life Sciences Private Limited	1.04	-				
Sale of Property, plant and equipment						
1 Tenshi Life Sciences Private Limited					6.40	-
2 MyPak Solutions Australia Pty Limited	222.45	-				
Guarantee Commission received						
1 Sterling Pharma Solutions Limited					-	4.42
2 Stelis Biopharma Private Limited*	36.48	-				
3 Vivimed Life Sciences Private Limited	0.11	-				
Rental income from operating leases						
1 Chayadeep Properties Private Limited					-	0.97
2 SeQuent Scientific Limited					-	0.51
3 Solara Active Pharma Sciences Limited					0.03	-
4 Tenshi Life Sciences Private Limited					0.74	-
Interest income						
1 Generic Partners (R&D) Pte Limited	29.09	-				
2 Tenshi Life Sciences Private Limited					0.13	-
Other income from						
1 Sequent Scientific Limited					-	2.12
Support service income from						
1 Stelis Biopharma Private Limited*	9.75	-				
2 Tenshi Life Sciences Private Limited					0.05	-
Purchase of materials/services						
1 Nutra Specialities Private Limited					-	8.40
2 SeQuent Research Limited					18.36	14.00
3 SeQuent Scientific Limited					169.05	826.77
4 Solara Active Pharma Sciences Limited					590.67	-
5 Tenshi Kaizen Private Limited (formerly, Higher Pharmatech Private Limited)					5.29	-
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
Short Term Employee Benefits paid to (Refer note (i) below)						
1 Mr. Arun Kumar			14.03	40.00		
2 Mr. Badree Komandur			33.33	28.23		
3 Ms. Manjula Ramamurthy			3.18	0.48		
4 Mr. Shashank Sinha			60.39	28.85		
5 Mr. S Abhaya Kumar			11.96	33.73		
6 Mr. Aditya Arun Kumar			0.27	1.71		

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Related party transactions

₹ in Million

Nature of Transactions		Joint ventures and Associates		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
Sitting Fees paid to							
1	Mr. Arun Kumar			0.70	-		
2	Mr. Deepak Vaidya			0.60	0.65		
3	Mr. M.R. Umarji			0.10	0.65		
4	Mr. A.K.Nair			-	0.40		
5	Mr. P.M.Thampi			0.10	0.50		
6	Mr. S.Sridhar			0.90	0.65		
7	Mr. Homi Rustam			0.70	-		
8	Mrs. Sangita Reddy			0.30	0.20		
9	Mr. Bharat Shah			0.70	0.60		
Rent paid							
1	Atma Projects					62.08	54.20
2	Chayadeep Properties Private Limited					7.77	6.79
3	Devendra Estate Private Limited					3.10	2.78
Loans / advances given / repaid by the group							
1	Solara Active Pharma Sciences Limited					262.50	-
2	Stelis Biopharma Private Limited*	78.00	-				
3	Generic Partners (R&D) Pte Limited	412.45	-				
4	MyPak Solutions Australia Pty Limited	270.58	-				
5	Vivimed Life Sciences Private Limited	115.12	-				
Loans / advances taken by Company / repaid to the group							
1	Solara Active Pharma Sciences Limited					500.00	-
2	Stelis Biopharma Private Limited*	76.40	-				
3	Vivimed Life Sciences Private Limited	100.00	-				
Reimbursement of expenses incurred on behalf of							
1	Solara Active Pharma Sciences Limited					124.03	-
2	Stelis Biopharma Private Limited*	63.59	-				
3	Generic Partners (R&D) Pte Limited	256.21	572.74				
4	Sterling Pharma Solutions Limited					5.29	-
Investments during the year							
1	Vivimed Life Sciences Private Limited	658.62	-				
Investments sold to							
1	Tenshi Kaizen Private Limited (formerly, Higher Pharmatech Private Limited)					-	27.00
Donation							
1	Strides Foundation Trust					13.99	17.30

* Refer note 39.3.4

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.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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	
				March 31, 2018	March 31, 2017
1	Alliance Pharmacy Pty Limited	IP Holding	Australia	50.99%	51.00%
2	Altima Innovations Inc.	Trading in Pharmaceutical products	USA	100.00%	100.00%
3	Amneal Pharma Australia Pty Ltd**	Trading in Pharmaceutical products	Australia	99.99%	-
4	Amneal Pharmaceuticals Pty Ltd**	Trading in Pharmaceutical products	Australia	99.99%	-
5	Apollo Life sciences Holding Proprietary Limited**	Registration and marketing of pharmaceutical products	South Africa	51.76%	-
6	Arrow Life Sciences (Malaysia) SDN BHD	Trading in Pharmaceutical products	Malaysia	100.00%	-
7	Arrow Pharma Pte Limited	Investment Holding	Singapore	100.00%	100.00%
8	Arrow Pharma (Private) Limited	Trading in Pharmaceutical products	Sri Lanka	100.00%	100.00%
9	Arrow Pharma Life Inc.	Trading in Pharmaceutical products	Philippines	100.00%	100.00%
10	Arrow Pharma Pty Limited	IP Holding	Australia	99.99%	100.00%
11	Arrow Pharmaceuticals Pty Limited	Trading in Pharmaceutical products	Australia	99.99%	100.00%
12	Arrow Remedies Private Limited	Trading in Pharmaceutical products	India	100.00%	100.00%
13	Beltapharm S.p.A	Manufacturing and trading in Pharmaceutical products	Italy	97.94%	97.94%
14	Chemsynth Laboratories Private Limited*	Trading in Pharmaceutical products	India	-	49.00%
15	Fagris Medica Private Limited	Trading in Pharmaceutical products	India	100.00%	100.00%
16	Generic Partners Holding Co. Pty Limited	Investment Holding	Australia	50.99%	51.00%
17	Generic Partners Pty Limited	Supplying and distributing generic pharmaceutical products	Australia	50.99%	51.00%
18	Generic Partners (International) Pte Limited	Supplying and distributing generic pharmaceutical products	Singapore	50.99%	51.00%
19	Generic Partners (Canada) Inc	Supplying and distributing generic pharmaceutical products	Canada	50.99%	51.00%
20	Generic Partners (M) SDN BHD	Supplying and distributing generic pharmaceutical products	Malaysia	50.99%	51.00%
21	Generic Partners (NZ) Limited	Supplying and distributing generic pharmaceutical products	New Zealand	50.99%	51.00%
22	Generic Partners (South Africa) Pty Limited	Supplying and distributing generic pharmaceutical products	South Africa	50.99%	51.00%
23	Generic Partners UK Limited	Supplying and distributing generic pharmaceutical products	UK	50.99%	51.00%
24	Pharmacy Alliance Group Holdings Pty Limited	Investment Holding	Australia	50.99%	51.00%
25	Pharmacy Alliance Investments Pty Limited	Investment Holding	Australia	99.99%	100.00%
26	Pharmacy Alliance Pty Limited	Providing business solutions to the independent pharmacy members	Australia	50.99%	51.00%
27	Shasun Foundation Trust*	Carrying out Social Responsibility activities	India	-	-
28	Shasun Pharma Solutions Inc.	Trading in Pharmaceutical products	USA	100.00%	100.00%

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Sl. No.	Name of the subsidiary	Principal activity	Place of Incorporation	Proportion of ownership interest and voting power held by the Group	
				March 31, 2018	March 31, 2017
29	Shasun USA Inc.*	Trading in Pharmaceutical products	USA	-	100.00%
30	Smarterpharm Pty Limited	Providing buying solutions to the pharmacy owners through national pharmacy services	Australia	50.99%	51.00%
31	Solara Active Pharma Sciences Limited*	Develop, manufacture, market and trade in pharmaceutical and ancillary products	India	-	100.00%
32	Stabilis Pharma Inc.	Trading in Pharmaceutical products	USA	100.00%	100.00%
33	Stelis Biopharma (Malaysia) SDN. BHD	Develop, manufacture, market and trade in pharmaceutical and ancillary products	Malaysia	100.00%	100.00%
34	Strides Africa Limited	Trading in Pharmaceutical products	British Virgin Islands	-	100.00%
35	Strides Arcolab (Australia) Pty Limited	Investment Holding	Australia	99.99%	100.00%
36	Strides Arcolab International Limited	Investment Holding	UK	100.00%	100.00%
37	Strides Chemicals Private Limited**	Active Pharmaceutical Ingredient (API) manufacturing	India	100.00%	-
38	Strides CIS Limited	Trading in Pharmaceutical products	Cyprus	100.00%	100.00%
39	Strides Consumer Private Limited	Trading in Pharmaceutical products	India	100.00%	100.00%
40	Strides Emerging Markets Limited	Manufacturing and trading in Pharmaceutical products	India	100.00%	100.00%
41	Strides Foundation Trust	Carrying out Social Responsibility activities	India	-	-
42	Strides Healthcare Private Limited *	Trading in Pharmaceutical products	India	-	74.00%
43	Strides Life Sciences Limited	Trading in Pharmaceutical products	Nigeria	100.00%	-
44	Strides Pharma (Cyprus) Limited	Trading in Pharmaceutical products	Cyprus	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	Investment Holding	UK	100.00%	100.00%
47	Strides Pharma Asia Pte. Limited	Investment Holding	Singapore	100.00%	100.00%
48	Strides Pharma Canada Inc.	Trading in Pharmaceutical products	Canada	70.00%	-
49	Strides Pharma Global Pte Limited	Develop, manufacture, market and trade in pharmaceutical and ancillary products	Singapore	100.00%	100.00%
50	Strides Pharma Inc.	Trading in Pharmaceutical products	USA	100.00%	100.00%
51	Strides Pharma International Limited	Investment Holding	Cyprus	100.00%	100.00%
52	Strides Pharma Limited (merged with Strides Pharma International Limited)	Investment Holding	Cyprus	-	100.00%
53	Strides Pharma UK Limited	Trading in Pharmaceutical products	UK	100.00%	100.00%
54	Strides Shasun Latina, SA de CV	Trading in Pharmaceutical products	Mexico	80.00%	-
55	Strides Specialties (Holdings) Limited	Trading in Pharmaceutical products	Mauritius	100.00%	100.00%
56	Strides Vivimed Pte Limited (formerly Vivimed Global Generics Pte Limited)**	Trading in Pharmaceutics products	Singapore	50.00%	-
57	SVADS Holdings SA	Develop and trade in pharmaceutical products	Switzerland	100.00%	100.00%
58	Trinity Pharma Proprietary Limited**	Registration and marketing of pharmaceutical products	South Africa	51.76%	-
59	Universal Corporation Limited	Manufacturing, development and trading in Pharmaceutics products	Kenya	51.00%	51.00%

Notes

* Pursuant to demerger and disposal of subsidiaries. Refer note 39.

** Pursuant to merger and business acquisition. Refer note 38.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

50.2 Change in the Group's ownership interest in a subsidiary:

(i) During the year, as part of corporate restructuring, the following restructuring / reorganisation were done within the Group:

a) Investment held in Arrow Remedies Private Limited, India was transferred from Arrow Pharma Pte Limited, Singapore to Strides Shasun Limited, India.

b) Strides Pharma Limited, Cyprus has been merged with Strides Pharma International Limited, Cyprus w.e.f December 12, 2017.

(ii) During the year, following entities have been incorporated within the Group:

a) Arrow Life Sciences (Malaysia) SDN BHD, Malaysia
b) Strides Life Sciences Limited, Nigeria
c) Strides Pharma Canada Inc, Canada

(iii) During the year, following entities have been wound-up:

a) Akorn Strides LLC, USA
b) Strides Africa Limited, British Virgin Islands
c) Shasun NBI LLC, USA

(iv) During the year, following entities have been renamed:

a) Perrigo API India Private Limited, India has been renamed to Strides Chemicals Private Limited, India.

b) Vivimed Global Generics Pte Limited, Singapore has been renamed to Strides Vivimed Pte Limited, Singapore.

c) Pursuant to conversion into a Public Limited Company, Strides Emerging Markets Private Limited, India has been renamed to Strides Emerging Markets Limited, India w.e.f November 15, 2017.

d) MyPak Solutions Pty Limited, Australia has been renamed to MyPak Solutions Australia Pty Limited, Australia.

50.3 Subsequent to the balance sheet date, the Board of Directors proposed to sell the entire investment in Strides Chemicals Private Limited, India (a wholly owned subsidiary) to Solara Active Pharma Sciences Limited, India for a consideration of not less than ₹1,310 Million. Accordingly, the Group has impaired the Goodwill belonging to the said investment amounting to ₹14.12 Million in the Statement of Profit and Loss and is included under Exceptional Items.

Note No. 51 // Financial instruments

51.1 Categories of financial instruments

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Financial assets:		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Equity investments	0.55	12.72
(ii) Investment in Mutual funds	3,114.79	12,795.39
(b) Derivative financial assets	-	44.42
Measured at amortised cost		
(a) Cash and bank balances	3,033.26	3,294.76
(b) Loans	915.31	647.76
(c) Trade receivables	8,821.78	9,959.13
(d) Other financial assets at amortised cost	317.70	880.03
Measured at FVTOCI		
(a) Fair value of derivatives designated in a cash flow hedge	46.77	340.48
(b) Investments in certain equity instruments designated upon initial recognition	100.86	302.30

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Financial liabilities:		
Measured at fair value through profit or loss (FVTPL)		
(a) Gross obligation under written put option	3,787.67	3,880.21
(b) Derivative financial liabilities	5.62	63.23
(c) Other financial liabilities	94.18	-
Measured at amortised cost		
(a) Borrowings (including current maturities of long-term borrowings)	25,199.64	36,996.49
(b) Security deposit	42.21	37.87
(c) Trade payables	7,120.69	7,740.94
(d) Unclaimed dividends	66.89	67.09
(e) Payables on purchase of property, plant and equipments and intangible assets	3.91	63.92
(f) Payables on purchase of non-current investments	90.00	-
(g) Other financial liabilities	174.73	573.39
Measured at FVTOCI		
(a) Derivative financial liabilities	6.95	-

51.1.1 Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

51.1.2 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and input(s) used).

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

₹ in Million

Financial assets / financial liabilities	Fair value as at March 31, 2018	Fair value as at March 31, 2017	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets:				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	46.77	340.48	Level 2	The fair value of forward foreign contracts are determined using spot and 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.
Equity investments (unquoted)	0.55	12.72	Level 3	The fair value of the equity instruments are determined using comparable quotes available.
Investment in Mutual fund (quoted)	3,114.79	12,795.39	Level 1	The fair value is determined based on the Net asset value published by respective funds.
Investment in equity instruments at FVTOCI (quoted) - Investment in Oncobiologics Inc., USA (refer note a)	100.86	302.30	Level 1	The fair value of the said investment is derived based on the quoted prices on stock exchanges.
Financial liabilities:				
Gross obligation under put options	3,787.67	3,880.21	Level 3	The said obligation under put options are valued using Black Scholes / Monte carlo simulation model. Significant unobservable inputs used for the said valuation are volatility and risk free interest rate (Discount rate). Refer note (b) below
Contingent consideration to non controlling shareholders	94.18	-	Level 3	The fair value has been derived based on the estimated payout to non controlling shareholders based on the projected profits of the subsidiary and discounted for the present value using the risk free interest rate
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	6.95	-	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.
Interest rate swaps designated as at FVTPL	5.62	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 of profit and loss.

b) There is a wide range of possible fair value measurements for the valuation of exercise price of written-put options included in Level 3 of fair value hierarchy and the amount considered above represents the estimate of the fair value within that range.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Reconciliation of Level 3 fair value measurements

a) Gross obligation under put options

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Opening balance	3,880.21	1,503.40
Recognition of gross obligation with respect to put options issued during the year	-	2,494.72
Disposal / settlements	(220.59)	(207.07)
Losses in the statement of profit and loss	99.06	118.81
Currency translations in other comprehensive income	28.99	(29.65)
Closing balance	3,787.67	3,880.21

b) Contingent consideration to non controlling shareholders

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Opening balance	-	-
Contingent consideration to non-controlling shareholders on new acquisitions during the year	91.96	-
Losses in the statement of profit and loss	2.22	-
Closing balance	94.18	-

The above said gain / loss on fair valuation of options is recognised in the statement of profit and loss under "Exceptional items".

c) Equity investments (unquoted)

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Opening balance	12.72	13.96
Acquistion/disposal (net)	(12.17)	(1.24)
Closing balance	0.55	12.72

51.1.3 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Group considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortized cost will reasonably approximate their fair values.

₹ in Million

Particulars	March 31, 2018		March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans	412.45	412.45	350.85	350.85
Security deposit	210.44	212.16	219.48	224.56
Financial liabilities				
Borrowings	25,199.64	26,453.79	36,996.49	37,686.05

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

51.2 Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

51.3 Foreign currency risk management

The Group is exposed to foreign exchange risk due to:

- debt availed in foreign currency
- net investments in subsidiaries and joint ventures that are in foreign currencies
- exposure arising from transactions relating to purchases, revenues, expenses, etc., to be settled (within and outside the group) in currencies other than the functional currency of the respective entities

Exchange rate exposures are managed within approved policy parameters by utilising forward foreign exchange contracts.

51.3.1 Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover the following:

a. repayments of specific foreign currency borrowings.
b. the risk associated with anticipated sales transactions out to 6 months within 50% to 70% of the exposure generated.

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

Contracts designated in a cash flow hedge

Outstanding contracts	Underlying Exposure	Average exchange rate (₹)	Foreign currency (USD in Million)	Nominal amounts (₹ in Million)	Fair value assets (liabilities) (₹ in Million)
As at March 31, 2018					
Sell USD					
Less than 3 months	Forecast sales	66.59	34.00	2,264.08	2,297.05
3 to 6 months		66.79	26.00	1,736.66	1,750.04
6 to 12 months		66.88	35.00	2,340.92	2,334.39
Total			**95.00**	**6,341.66**	**6,381.48**
As at March 31, 2017					
Sell USD					
Less than 3 months	Forecast sales	70.37	21.00	1,477.73	1,581.18
3 to 6 months		70.13	34.00	2,384.54	2,516.52
6 to 12 months		70.74	28.00	1,980.72	2,085.77
Total			**83.00**	**5,842.99**	**6,183.47**

The line-items in the Consolidated balance sheet that include the above hedging instruments are "Other financial assets".

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Contracts not designated in a cash flow hedge

Amounts in Million

Amount receivable/(payable) Exposure to the Currency	As at March 31, 2018 in foreign Currency (USD)	As at March 31, 2018 in ₹	As at March 31, 2017 in foreign Currency (USD)	As at March 31, 2017 in ₹
Trade receivables hedged with forward contract with maturity less than 3 months	-	-	9.00	44.42

Further the Group has borrowings in USD repayable in AUD representing the carrying value of ₹999.88 Million as at March 31, 2018 (as at March 31, 2017: ₹3,892.85 Million) 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) Exposure to the Currency	As at March 31, 2018 in foreign Currency	As at March 31, 2018 in ₹	As at March 31, 2017 in foreign Currency	As at March 31, 2017 in ₹
USD	(71.71)	(4,672.62)	(118.19)	(7,665.49)
AUD	52.39	2,615.41	53.55	2,649.59
EUR	18.38	1,474.06	24.66	1,704.07
CAD	2.85	143.70	1.84	89.73
GBP	2.56	234.83	8.87	722.21
SGD	(2.10)	(104.30)	0.47	21.97
JPY	(3.42)	(2.09)	5.92	3.45
CHF	1.15	78.33	0.01	0.53

51.3.2 Foreign currency sensitivity analysis

Financial instruments affected by changes in foreign exchange rates include External Commercial Borrowings (ECBs), loans in foreign currencies to subsidiaries and joint ventures. The Group considers US Dollar and the Euro to be principal currencies which require monitoring and risk mitigation. The Group is exposed to volatility in other currencies including the Great Britain Pounds (GBP) and the Australian Dollar (AUD). The impact on account of 5% appreciation / depreciation in the exchange rate of the above foreign currencies against ₹ is given below:

₹ in Million

Particulars	Increase / (decrease) in profit March 31, 2018	Increase / (decrease) in profit March 31, 2017
Appreciation in the USD	(233.63)	(383.27)
Depreciation in the USD	233.63	383.27
Appreciation in the EUR	73.70	85.20
Depreciation in the EUR	(73.70)	(85.20)
Appreciation in the AUD	130.77	132.48
Depreciation in the AUD	(130.77)	(132.48)
Appreciation in the GBP	11.74	36.11
Depreciation in the GBP	(11.74)	(36.11)

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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 ₹264.12 Million (Previous year : ₹376.38 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.

51.4.2 Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

The following tables detail the nominal amounts and remaining terms of interest rate swap contracts outstanding at the reporting period end.

a) Borrowing in USD floating rate swaped for repayment in USD fixed rate at March 31, 2017:

₹ 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	3,032.13
Total		**3,048.89**	**3,032.13**

b) Borrowing in USD floating rate swaped for repayment in AUD fixed rate at March 31, 2018:

₹ in Million

Outstanding contracts	Average contracted fixed interest rate	Nominal amounts	Fair value assets (liabilities)
Less than 1 year	6.14%	999.88	994.26
1 to 2 years		-	-
2 to 5 years		-	-
5 years +		-	-
Total		**999.88**	**994.26**

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Borrowing in USD floating rate swaped for repayment in AUD fixed rate at March 31, 2017:

₹ in Million

Outstanding contracts	Average contracted fixed interest rate	Nominal amounts	Fair value assets (liabilities)
Less than 1 year	7.09%	658.79	650.46
1 to 2 years		778.57	768.72
2 to 5 years		2,455.49	2,427.20
5 years +		-	-
Total		3,892.85	3,846.38

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 liabilities".

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Group will settle the difference between the fixed and floating interest rate on a net basis.

51.5 Other price risks

The Group is exposed to equity price risks arising from equity investments. Certain of the Group's equity investments are held for strategic rather than for trading purposes.

51.5.1 Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, other comprehensive income for the year ended March 31, 2018 would increase / decrease by ₹5.04 Million (for the year ended March 31, 2017: increase/decrease by ₹15.12 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, loans, financial instruments and deposits with banks and financial institutions and other financial assets.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group has an internal mechanism of determining the credit rating of the customers and setting credit limits. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The credit risk arising from receivables is subject to currency risk in that the receivables are predominantly denominated in USD, AUD and GBP and any appreciation in the Rupee will affect the credit risk. Further, the Group is not significantly exposed to geographical distribution risk as the counterparties operate across various countries across the Globe.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings.

51.7 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. A portion of the Group's surplus cash is retained as investments in Liquid Mutual Funds to fund short term requirements.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

51.7.1 Liquidity analysis for non-derivative liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

₹ in Million

Financial liabilities	Due within (years)						Total	Carrying amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank and other borrowings								
- As on March 31, 2018	9,696.65	476.81	2,157.85	2,693.40	2,794.04	8,635.04	26,453.79	25,199.64
- 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
Interest payable on borrowings								
- As on March 31, 2018	94.47	-	-	-	-	-	94.47	94.47
- As on March 31, 2017	124.95	-	-	-	-	-	124.95	124.95
Trade and other payable not in net debt								
- As on March 31, 2018	7,361.75	94.18	-	-	-	50.16	7,506.09	7,498.14
- As on March 31, 2017	8,320.39	-	-	-	-	48.28	8,368.67	8,358.26

51.8 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 8,10,16, 17 and 21 offset by cash and bank balances and Investment in Mutual funds) and total equity of the Group.

The Group reviews the capital structure of the Group on a quarterly basis to ensure that it in compliance with the required covenants. The Group has a target gearing ratio of 1:1 determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2018 is 0.73 (March 31, 2017 : 0.73).

The Group is not subject to any externally imposed capital requirements.

51.8.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Debt (i)	25,199.64	36,996.49
Less:		
Investment in Mutual funds	3,114.79	12,795.39
Cash and bank balances	3,033.26	3,294.76
Fixed deposits with banks with more than 12 months maturity	16.29	-
Net Debt (A)	19,035.30	20,906.34
Total Equity (B)	26,092.10	28,823.24
Net debt to equity ratio (A/B)	0.73	0.73

(i) Debt is defined as long-term borrowings, current maturities of long-term borrowings and short-term borrowings and does not include obligations relating to derivatives over non-controlling interests.

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Note No. 52 //

The detailed transfer pricing regulations ('regulations') for computing the income from "domestic transactions" with specified parties and international transactions between 'associated enterprises' on an 'arm's length' basis is applicable to the Group. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant which is to be filed with the Income tax authorities.

The Group has undertaken necessary steps to comply with the transfer pricing regulations. The Management is of the opinion that the transactions with associated enterprises and domestic transactions are at arm's length, and hence the aforesaid legislation will not have any material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note No. 53 // Other matters :

(a) In respect of freehold land to the extent of 5.44 acres (as at March 31, 2018 gross block and net block amounting to ₹201.42 Million) capitalised in the books of the Company, the title deeds are under dispute. The Company based on its internal assessment believes that it has title deed in its name and it will be able to defend any counter claims on such parcel of land under dispute.

(b) The title deeds of freehold land and building admeasuring 20.43 acres (as at March 31, 2018 gross block ₹630.69 Million and net block of ₹468.96 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, 2018 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, 2018 gross block of ₹3.55 Million and net block ₹1.28 Million) capitalised in the books of the Company, the title deeds are not in the name of the Company. The Company is in the process of transferring the title deeds of such building in its name.

Note No. 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, 2018

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	37.32%	31,620.16	126.93%	8,915.91	49.49%	(197.47)	131.60%	8,718.44
Indian Subsidiaries:								
Arrow Remedies Private Limited	0.00%	(0.34)	0.01%	0.38	0.00%	-	0.01%	0.38
Chemsynth Laboratories Private Limited	0.00%	-	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
Fagris Medica Private Limited	0.00%	1.01	0.00%	0.06	-0.01%	0.02	0.00%	0.08
Shasun Foundation Trust	0.00%	-	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
Solara Active Pharma Sciences Limited	0.00%	-	-0.05%	(3.80)	0.00%	-	-0.06%	(3.80)
Strides Consumer Private Limited	-0.20%	(168.50)	-2.40%	(168.60)	0.00%	-	-2.54%	(168.60)
Strides Chemicals Private Limited	1.53%	1,295.01	-2.36%	(165.87)	-0.02%	0.09	-2.50%	(165.78)
Strides Emerging Markets Limited (formerly Strides Emerging Markets Private Limited)	-0.10%	(87.14)	-1.77%	(124.17)	0.05%	(0.18)	-1.88%	(124.35)
Strides Foundation Trust	0.04%	32.50	0.13%	9.20	0.00%	-	0.14%	9.20
Strides Healthcare Private Limited	0.00%	-	-0.26%	(18.06)	0.00%	-	-0.27%	(18.06)

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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
Foreign Subsidiaries:								
Alliance Pharmacy Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Altima Innvovations Inc.	-0.20%	(172.58)	-0.24%	(16.62)	0.00%	-	-0.25%	(16.62)
Amneal Pharma Australia Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Amneal Pharmaceuticals Pty Limited	0.97%	822.77	4.39%	308.24	0.00%	-	4.65%	308.24
Apollo Life Sciences Holdings Proprietary Limited	0.00%	(0.91)	0.00%	(0.09)	0.00%	-	0.00%	(0.09)
Arrow Life Sciences (Malaysia) SDN. BHD.	0.00%	0.69	0.00%	(0.22)	0.00%	-	0.00%	(0.22)
Arrow Pharma (Private) Limited	0.00%	3.19	0.13%	8.89	0.00%	-	0.13%	8.89
Arrow Pharma Life Inc.	0.00%	3.89	-0.02%	(1.07)	0.00%	-	-0.02%	(1.07)
Arrow Pharma Pte Limited	-0.08%	(67.59)	-0.88%	(61.47)	0.00%	-	-0.93%	(61.47)
Arrow Pharma Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Arrow Pharmaceuticals Pty Limited	7.04%	5,961.79	3.59%	252.12	0.00%	-	3.81%	252.12
Beltapharm SpA	0.19%	161.23	-1.39%	(97.57)	0.00%	-	-1.47%	(97.57)
Generic Partners Holding Co Pty Limited	0.88%	748.86	-0.03%	(1.81)	0.00%	-	-0.03%	(1.81)
Generic Partners Pty Limited	0.45%	379.19	-0.08%	(5.51)	0.00%	-	-0.08%	(5.51)
Generic Partners (Canada) Inc.	0.04%	31.30	1.09%	76.25	0.00%	-	1.15%	76.25
Generic Partners (M) SDN BHD	0.00%	(0.02)	-0.01%	(0.38)	0.00%	-	-0.01%	(0.38)
Generic Partners (International) Pte Limited	0.01%	7.25	-0.01%	(0.57)	0.00%	-	-0.01%	(0.57)
Generic Partners (NZ) Limited	0.00%	(2.32)	-0.01%	(0.36)	0.00%	-	-0.01%	(0.36)
Generic Partners (SA) Pty Limited	0.00%	(0.02)	0.00%	-	0.00%	-	0.00%	-
Generic Partners UK Limited	0.07%	57.14	0.44%	30.83	0.00%	-	0.47%	30.83
Pharmacy Alliance Group Holdings Pty Limited	0.00%	(0.01)	0.28%	19.96	0.00%	-	0.30%	19.96
Pharmacy Alliance Investments Pty Limited	0.87%	734.05	0.14%	10.18	0.00%	-	0.15%	10.18
Pharmacy Alliance Pty Limited	0.29%	245.66	1.36%	95.47	0.00%	-	1.44%	95.47
Shasun Pharma Solutions Inc.	0.00%	(0.40)	0.00%	(0.20)	0.00%	-	0.00%	(0.20)
Shasun USA Inc.	0.00%	-	2.87%	201.75	0.00%	-	3.05%	201.75
Smarterpharm Pty Limited	0.03%	29.58	0.31%	21.49	0.00%	-	0.32%	21.49
Stabilis Pharma Inc.	0.00%	0.10	0.00%	(0.22)	0.00%	-	0.00%	(0.22)
Stelis Biopharma (Malaysia) SDN. BHD.	0.10%	81.42	-0.20%	(13.95)	0.00%	-	-0.21%	(13.95)
Strides Africa Limited	0.00%	-	0.00%	(0.13)	0.00%	-	0.00%	(0.13)
Strides Arcolab (Australia) Pty Limited	6.92%	5,862.20	-1.81%	(127.33)	0.00%	-	-1.92%	(127.33)
Strides Arcolab International Limited	5.15%	4,359.87	-2.11%	(148.21)	0.00%	-	-2.24%	(148.21)
Strides CIS Limited	0.02%	12.92	0.07%	4.97	0.00%	-	0.08%	4.97
Strides Life Sciences Limited	-0.04%	(37.17)	-0.57%	(39.76)	0.00%	-	-0.60%	(39.76)
Strides Pharma (Cyprus) Limited	2.29%	1,941.70	-17.32%	(1,216.28)	0.00%	-	-18.36%	(1,216.28)
Strides Pharma (SA) Pty Limited	-0.01%	(9.55)	-0.07%	(5.14)	0.00%	-	-0.08%	(5.14)
Strides Pharma Global (UK) Limited	2.26%	1,914.88	0.01%	0.73	50.49%	(201.44)	-3.03%	(200.71)
Strides Pharma Asia Pte Limited	12.29%	10,409.48	-9.07%	(636.90)	0.00%	-	-9.61%	(636.90)
Strides Pharma Canada Inc.	0.00%	(1.06)	-0.02%	(1.11)	0.00%	-	-0.02%	(1.11)
Strides Pharma Global Pte Limited	16.10%	13,644.93	13.29%	933.80	0.00%	-	14.09%	933.80
Strides Pharma Inc.	1.70%	1,442.10	-10.80%	(758.75)	0.00%	-	-11.45%	(758.75)
Strides Pharma International Limited	1.47%	1,247.16	2.03%	142.75	0.00%	-	2.15%	142.75

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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 Limited	0.00%	-	-0.13%	(9.43)	0.00%	-	-0.14%	(9.43)
Strides Pharma UK Limited	0.37%	311.53	0.62%	43.87	0.00%	-	0.66%	43.87
Strides Shasun Latina, SA de CV	0.01%	8.58	-0.06%	(4.35)	0.00%	-	-0.07%	(4.35)
Strides Specialties (Holdings) Limited	0.00%	-	0.02%	1.51	0.00%	-	0.02%	1.51
Strides Vivimed Pte Limited (formerly Vivimed Global Generics Pte Limited)	0.20%	170.39	-0.21%	(15.00)	0.00%	-	-0.23%	(15.00)
SVADS Holdings SA	0.83%	699.37	-3.49%	(245.37)	0.00%	-	-3.70%	(245.37)
Trinity Pharma Proprietary Limited	0.04%	32.66	0.07%	5.07	0.00%	-	0.08%	5.07
Universal Corporation Limited	1.18%	1,001.06	-0.04%	(2.94)	0.00%	-	-0.04%	(2.94)
Indian Associates:								
Stelis Biopharma Private Limited	0.00%	-	-2.05%	(144.06)	0.00%	-	-2.17%	(144.06)
Vivimed Life Sciences Private Limited	0.00%	-	-0.42%	(29.38)	0.00%	-	-0.44%	(29.38)
Foreign Associates:								
Aponia Laboratories Inc.	0.00%	-	0.12%	8.59	0.00%	-	0.13%	8.59
Generic Partners (R&D) Pte Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Regional Bio Equivalence Centre S.C.	0.00%	-	-0.04%	(3.14)	0.00%	-	-0.05%	(3.14)
Foreign Joint ventures:								
Akorn Strides LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Shasun NBI LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Mypak Solutions Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Oraderm Pharmaceuticals Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Practi Health Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Practisoft Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total	**100.00%**	**84,728.01**	**100.00%**	**7,024.13**	**100.00%**	**(398.98)**	**100.00%**	**6,625.15**
a) Adjustments arising out of consolidation		(60,182.40)		(220.78)		248.97		28.19
b) Minority Interest in all subsidiaries:								
Indian Subsidiaries:								
- Chemsynth Laboratories Private Limited		-		0.02		-		0.02
- Strides Healthcare Private Limited		-		4.70		-		4.70
Foreign Subsidiaries:								
- Arrow Phamaceuticals Pty Limited		0.01		-		-		-
- Beltapharm SpA		(5.96)		2.12		(0.96)		1.16
- Generic Partners (Canada) Inc		15.34		(37.45)		0.12		(37.33)
- Generic Partners (M) SDN BHD		(0.01)		0.20		(0.02)		0.18

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

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 Pty Limited	211.31		(120.00)		(2.56)		(122.56)	
- Generic Partners Holding Co Pty Limited	359.56		0.89		-		0.89	
- Generic Partners (International) Pte Limited	3.55		0.28		(0.01)		0.27	
- Generic Partners (NZ) Limited	(1.14)		0.18		0.01		0.19	
- Generic Partners (SA) Pty Limited	(0.01)		-		-		-	
- Generic Partners UK Limited	27.99		(16.04)		1.58		(14.46)	
- Pharmacy Alliance Group Holdings Pty Limited	(0.01)		-		-		-	
- Pharmacy Alliance Pty Limited	169.91		(33.16)		(0.08)		(33.24)	
- Smarterpharm Pty Limited	11.46		(11.46)		(0.01)		(11.47)	
- Strides Pharma Canada Inc.	(0.32)		0.33		-		0.33	
- Strides Shasun Latina, SA de CV	1.72		0.88		(0.02)		0.86	
- Strides Vivimed Pte Limited	85.19		7.58		(0.08)		7.50	
- Trinity Pharma Proprietary Limited	127.71		(1.50)		0.14		(1.36)	
- Universal Corporation Limited	575.79		7.17		(3.24)		3.93	
NCI eliminated on unrealised stock margin	(35.61)		(3.40)		-		(3.40)	
Total	**26,092.09**		**6,604.69**		**(155.14)**		**6,449.55**	

(i) Share of discontinued operations included above is as follows:

₹ in Million

Discontinued operation	Profit or loss	Other Comprehensive Income	Total Comprehensive Income
API business	7,129.83	-	7,129.83
India branded generics business	607.72	-	607.72
Strides API Research Centre ("SRC")	(291.72)	-	(291.72)
Manufacturing specialties business	(216.55)	-	(216.55)
Pharma generics business in Africa	(1,128.05)	-	(1,128.05)
Total	**6,101.23**	**-**	**6,101.23**

(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.

Note No. 55 // Summarised financial information of material non wholly-owned subsidiaries as on March 31, 2018

₹ in Million

Sl. No.	Name of the Subsidiary	Share-holding (%)	Summary of financial information									Dividend paid to Non controlling interest	Cash flows			
			Current Assets	Non-Current Assets	Current Liabilities	Non Current Liabilities	Equity attributable to owners	Non Controlling interest	Profit before taxation	Provision for taxation	Profit after taxation		Net cash inflow (outflow) from operating activities	Net cash inflow (outflow) from investing activities	Net cash inflow (outflow) from financing activities	Net cash inflow (outflow)
1	Generic Partners Pty Limited	51.00%	942.48	1,062.20	714.87	117.36	961.15	211.30	193.45	(38.55)	232.00	-	3.54	(34.98)	(0.42)	(31.86)
2	Generic Partners Holding Co Pty Limited	51.00%	12.63	741.22	4.99	-	389.30	359.56	(1.81)	-	(1.81)	-	0.06	-	-	0.06
3	Pharmacy Alliance Pty Limited	51.00%	453.93	290.14	324.02	73.28	176.86	169.91	129.33	41.69	87.64	9.78	109.69	(17.80)	(114.73)	(22.84)
4	Universal Corporation Limited	51.00%	1,228.05	1,332.50	903.83	481.64	599.29	575.79	47.33	61.56	(14.23)	-	139.95	(233.09)	92.97	(0.17)

Summarised financial information of material non wholly-owned subsidiaries as on March 31, 2017

₹ in Million

Sl. No.	Name of the Subsidiary	Share-holding (%)	Summary of financial information									Dividend paid to Non controlling interest	Cash flows			
			Current Assets	Non-Current Assets	Current Liabilities	Non Current Liabilities	Equity attributable to owners	Non Controlling interest	Profit before taxation	Provision for taxation	Profit after taxation		Net cash inflow (outflow) from operating activities	Net cash inflow (outflow) from investing activities	Net cash inflow (outflow) from financing activities	Net cash inflow (outflow)
1	Generic Partners Pty Limited	51.00%	1,033.80	982.15	543.72	266.99	1,106.87	98.37	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	-	372.13	371.88	(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%	1,036.39	1,146.35	783.06	132.25	692.16	575.27	285.29	-	285.29	-	17.24	(150.02)	96.78	(36.00)

Notes

Forming part of the Consolidated financial statements for the year ended March 31, 2018

Note No. 56 // Events after reporting period

(a) On May 18, 2018, the Board of Directors of the Company has proposed a final dividend of ₹2 per equity share. The proposed dividend is subject to the approval of the shareholders in the annual general meeting.

(b) On May 18, 2018, the Board of Directors of the Company has proposed change of name of the Company from Strides Shasun Limited to Strides Pharma Science Limited. The proposed change is subject to the approval of the shareholders.

Note No. 57 //

During the year ended March 31, 2018, no material foreseeable loss (March 31, 2017: Nil) was incurred for any long-term contract including derivative contracts.

Note No. 58 //

The previous year's figures have been re-grouped/ reclassified, where necessary to conform to current year's classification.

Note No. 59 //

Previous year audit was carried out by a firm other than B S R & Co. LLP.

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
Bengaluru, May 18, 2018

for and on behalf of Board of Directors of Strides Shasun Limited

Shashank Sinha
Managing Director
DIN: 02544431

Badree Komandur
Executive Director- Finance
DIN: 07803242

Manjula R.
Company Secretary
Membership Number: A30515

Independent Auditor's Report

To the Members of Strides Shasun Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Strides Shasun Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS 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 Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, read with the note on accounting for Demerger as described in sub-paragraph (2) of the Emphasis of Matter paragraph below, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Emphasis of matter

1. We draw attention to Note 39.1 to the standalone Ind AS 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 stated in the Note, the Company has provided a guarantee in favour of Mylan and certain amounts have been set aside in escrows under the terms of the SPAs. As further explained in the aforesaid 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.

2. We draw attention to Note 39.2 to the standalone Ind AS financial statements regarding the Demerger Scheme (Scheme) which has been approved by National Company Law Tribunal (NCLT) vide its order dated 9 March 2018 and filed with the Registrar of Companies on 31 March 2018. In accordance with the Scheme approved by NCLT, the Company has given effect to the Scheme from the appointed date specified therein i.e. 1 October 2017 instead of the effective date.

Our opinion is not modified in respect of these matters.

Other matters

Corresponding figures for the year ended 31 March 2017 have been audited by another auditor who expressed an unmodified opinion dated 18 May 2017 on the standalone Ind AS financial statements of the Company for the year ended 31 March 2017.

Our opinion on the standalone Ind AS financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss, 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 Ind AS financial statements, read with Note 39.2 therein and sub-paragraph (2) of the Emphasis of Matter paragraph above, 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 Ind AS 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 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 39.1 and 42 to the standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 54 to the standalone Ind AS financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

      iv. The disclosures in the standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573

Bengaluru, May 18, 2018

Annexure - A to the Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements of Strides Shasun Limited for the year ended 31 March 2018. We report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and basis our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the following:

Particulars of land and building	Gross block (₹ in million as at 31 March 2018)	Net Block (₹ in million as at 31 March 2018)	Remarks
Freehold land admeasuring 5.44 Acres	201.42	201.42	The title deeds are under dispute.
Freehold land and building admeasuring 20.43 acres	630.69	468.96	The title deeds are not in the name of the Company.
Freehold land admeasuring 0.6 Acres	*0.81*	*0.81*	The title deeds are not in the name of the Company.
Building admeasuring 750 sq. ft.	3.55	1.28	The title deeds are not in the name of the Company.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) Inventories apart from goods in transit and inventories lying with third parties have been physically verified by the Management during the year and the discrepancies noticed on such verification between the physical stock and book records were not material. In our opinion, the frequency of such verification is reasonable.

(iii) The Company has granted unsecured loans to Companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').

(a) During the current year, the Company has not granted loans to the companies listed in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) (a) of the Order is not applicable to the Company.

(b) In the case of the loans granted in the earlier years which are covered in the register maintained under Section 189 of the Act, the borrower has been regular in the payment of the principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loans granted to companies in the earlier years which are covered in the register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made and, guarantees and securities given.

(v) According to information and explanations given to us, the Company has not accepted any deposits. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the

Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of such records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and service tax, which have not been deposited with the appropriate authorities on account of any disputes other than those set out below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in million)
The Income-Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	AY 2008-09	190.42 (net of tax paid under protest of 223.14)
The Income-Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	AY 2009-10	250.60 (net of tax paid under protest of 307.56)
The Income-Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	AY 2011-12	75.14 (net of tax paid under protest of 59.98)
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	481.20 (net of tax paid under protest of 24.51)
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)
Maharashtra Value Added Tax Act, 2002	Maharashtra VAT	Joint Commissioner (Appeals)	2010-11	32.10
Karnataka Value Added Tax Act, 2005	Karnataka VAT	High Court	*2013-14*	42.23
Karnataka Value Added Tax Act, 2005	Karnataka VAT	Deputy Commissioner of Commercial Tax	2011-12	65.34

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company did not have any borrowings during the year by way of debentures or from government.

(ix) According to the information and explanations given to us, the Company has not raised any money by way of public issue or further public offer (including debt instruments) during the year. The term loans raised by the Company have been applied for the purpose for which they were raised.

(x) According to the information and explanations given to us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid remuneration of ₹ 51.66 million to the managing director for the year ended 31 March 2018, which is in excess by ₹ 1.67 million of the limits prescribed by Section 197 read with Schedule V of the Act. The Company has reported this excess amount as recoverable from the directors as at 31 March 2018.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly para 3 (xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573

Bengaluru, May 18, 2018

Annexure - B to the Independent Auditor's Report of even date on the standalone financial statements of Strides Shasun Limited

Report on the Internal Financial Controls with reference to the standalone Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the standalone Ind AS financial statements of Strides Shasun Limited ('the Company'), as of 31 March 2018 in conjunction with our audit of the standalone Ind AS 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 controls with reference to the standalone Ind AS financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone Ind AS financial statements 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 with reference to the standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to the standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing

and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 with reference to the standalone Ind AS financial statements.

Meaning of Internal Financial Controls with reference to the Standalone Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to the Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to the standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the standalone Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to the standalone Ind AS financial statements 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, the Company has, in all material respects, an adequate internal financial controls with reference to the standalone Ind AS financial statements and internal financial controls with reference to the standalone Ind AS financial statements were operating effectively as at 31 March 2018, based on the internal financial controls with reference to the standalone Ind AS financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573

Bengaluru, May 18, 2018

Balance Sheet

As at March 31, 2018

₹ in Million

		Note	March 31, 2018	March 31, 2017
A	**ASSETS**			
I	**Non-current assets**			
(a)	Property, plant and equipment	4	4,325.08	8,378.66
(b)	Capital work-in-progress		868.91	996.25
(c)	Investment property	5	659.98	700.72
(d)	Goodwill	6	-	749.90
(e)	Other intangible assets	7	654.52	2,109.08
(f)	Intangible assets under development		569.65	581.22
(g)	Financial assets			
(i)	Investments	8(i)	14,651.93	12,407.02
(ii)	Loans	9(i)	374.94	548.05
(iii)	Other financial assets	10(i)	3,989.32	784.80
(h)	Deferred tax assets (net)	11	535.09	193.38
(i)	Income-tax assets (net)	12(i)	1,106.54	1,189.64
(j)	Other non-current assets	13(i)	120.25	382.09
	Total non-current assets		27,856.21	29,020.81
II	**Current assets**			
(a)	Inventories	14	2,696.28	4,095.30
(b)	Financial assets			
(i)	Investments	8(ii)	3,114.79	12,795.38
(ii)	Trade receivables	15	4,493.65	5,406.85
(iii)	Cash and cash equivalents	16	723.00	877.70
(iv)	Other balances with banks	17	74.89	71.49
(v)	Loans	9(ii)	262.34	86.46
(vi)	Other financial assets	10(ii)	1,327.93	600.56
(c)	Other current assets	13(ii)	1,931.93	1,857.83
			14,624.81	25,791.57
(d)	Assets classified as held for sale	39.6	370.61	-
	Total current assets		14,995.42	25,791.57
	TOTAL ASSETS		42,851.63	54,812.38
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
(a)	Equity share capital	18	895.00	894.23
(b)	Other equity	19	30,725.16	31,431.04
	Total equity		31,620.16	32,325.27
II	**Liabilities**			
1	**Non-current liabilities**			
(a)	Financial liabilities			
(i)	Borrowings	20(i)	24.45	7,694.53
(ii)	Other financial liabilities	21(i)	25.79	212.98
(b)	Provisions	22(i)	133.21	225.84
(c)	Other non-current liabilities	23(i)	7.54	12.21
	Total non-current liabilities		190.99	8,145.56
2	**Current liabilities**			
(a)	Financial liabilities			
(i)	Borrowings	20(ii)	6,015.91	6,474.42
(ii)	Trade payables	24	3,907.24	4,705.64
(iii)	Other financial liabilities	21(ii)	210.19	2,491.07
(b)	Provisions	22(ii)	268.36	258.74
(c)	Current tax liabilities (net)	25	113.83	-
(d)	Other current liabilities	23(ii)	493.60	411.68
			11,009.13	14,341.55
(e)	Liabilities directly associated with assets classified as held for sale	39.6	31.35	-
	Total current liabilities		11,040.48	14,341.55
	Total liabilities		11,231.47	22,487.11
	TOTAL EQUITY AND LIABILITIES		42,851.63	54,812.38

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
Bengaluru, May 18, 2018

for and on behalf of Board of Directors of Strides Shasun Limited

Shashank Sinha
Managing Director
DIN: 02544431

Badree Komandur
Executive Director- Finance
DIN: 07803242

Manjula R.
Company Secretary
Membership Number: A30515

Statement of Profit and Loss

For the year ended March 31, 2018

₹ in Million

			Note	March 31, 2018	March 31, 2017
A.	**Continuing operations:**				
1	Revenue from operations		26	14,696.06	13,818.19
2	Other income		27	1,561.99	1,690.55
3	**Total income (1+2)**			16,258.05	15,508.74
4	**Expenses**				
	(a)	Cost of materials consumed		7,591.50	6,347.93
	(b)	Purchase of stock-in-trade		398.88	1,123.79
	(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(177.87)	(127.12)
	(d)	Employee benefits expense	29	2,245.35	2,284.77
	(e)	Finance costs	30	819.70	719.64
	(f)	Depreciation and amortisation expense	31	778.05	700.06
	(g)	Other expenses	32	2,667.30	2,481.62
	Total expenses			14,322.91	13,530.69
5	**Profit before exceptional items and tax (3-4)**			1,935.14	1,978.05
6	Exceptional items gain / (loss) (net)		33	(293.81)	(151.59)
7	**Profit before tax (5+6)**			1,641.33	1,826.46
8	**Tax expense**		34		
	(a)	Current tax		373.22	118.36
	(b)	Deferred tax		(296.37)	188.74
	Total tax expense			76.85	307.10
9	**Profit for the year from continuing operations (7-8)**			1,564.48	1,519.36
B.	**Discontinued operations:**				
10	Profit / (loss) from discontinued operations		39.7	(921.77)	(476.23)
11	Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)		39.7	8,438.43	(111.23)
12	**Profit / (loss) before tax from discontinued operations**			7,516.66	(587.46)
13	Tax expense of discontinued operations		39.7	165.23	(153.47)
14	**Profit / (loss) after tax from discontinued operations (12-13)**			7,351.43	(433.99)
C	**Total operations**				
15	**Profit for the year (9+14)**			8,915.91	1,085.37
16	**Other comprehensive income/ (expense)**				
	A)	(i) Items that will not be reclassified to profit or loss	37	(1.33)	(143.96)
		(ii) Income tax relating to items that will not be reclassified to profit or loss	37	0.46	49.83
	B)	(i) Items that may be reclassified to profit or loss	37	(300.65)	200.17
		(ii) Income tax relating to items that may be reclassified to profit or loss	37	104.05	(69.42)
	Total other comprehensive income for the year, net of tax			(197.47)	36.62
17	**Total comprehensive income for the year (15+16)**			8,718.44	1,121.99
18	**Earnings per equity share (of ₹10/- each) (for continuing operation)**				
	- Basic		47	17.48	17.00
	- Diluted		47	17.48	16.97
19	**Earnings per equity share (of ₹10/- each) (for discontinued operation)**				
	- Basic		47	82.16	(4.86)
	- Diluted		47	82.13	(4.85)
20	**Earnings per equity share (of ₹10/- each) (for discontinued & continuing operations)**				
	- Basic		47	99.64	12.14
	- Diluted		47	99.61	12.12

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

for and on behalf of Board of Directors of Strides Shasun Limited

Shashank Sinha
Managing Director
DIN: 02544431

Badree Komandur
Executive Director- Finance
DIN: 07803242

Sampad Guha Thakurta
Partner
Membership Number: 060573
Bengaluru, May 18, 2018

Manjula R.
Company Secretary
Membership Number: A30515

Statement of Changes in Equity

For the years ended March 31, 2018 and March 31, 2017

A) Equity share capital

₹ in Million

Particulars	Amount
Balance as at April 1, 2016	893.46
Changes in equity share capital during the year	
- Shares issued pursuant to exercise of stock options (refer note 43)	0.77
Balance as at March 31, 2017	894.23
Changes in equity share capital during the year	
- Shares issued pursuant to exercise of stock options (refer note 43)	0.77
Balance as at March 31, 2018	895.00

B) Other equity

₹ in Million

Particulars	Note reference	Share application money pending allotment	Reserves and surplus							Items of other comprehensive income		Total
			Capital reserve	Securities premium account		Capital redemption reserve	Share options outstanding account	General reserve	Retained earnings	Effective portion of cash flow hedge	Re-measurement of the defined benefit liabilities / (assets)	
				Securities premium	Reserve for Business Restructure (BRR)							
Balance as at April 1, 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 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 common control business combinations	38.1	-	(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
Profit for the year		-	-	-	-	-	-	-	8,915.91	-	-	8,915.91
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	-	(196.60)	(0.87)	(197.47)
Total comprehensive income			-	-	-	-	-	-	8,915.91	(196.60)	(0.87)	8,718.44
Adjustment pursuant to Scheme of Demerger	39.2	-	-	(1,971.57)	-	-	-	-	(7,038.43)	-	-	(9,010.00)
Dividend (including tax on dividend)		-	-	-	-	-	-	-	(478.20)	-	-	(478.20)
Premium received on shares issued during the year		-	-	34.10	-	-	-	-	-	-	-	34.10
Transferred to securities premium account on exercise of ESOPs		-	-	27.68	-	-	(27.68)	-	-	-	-	-
Employee stock compensation expenses (including expenses pertaining to discontinued operations)	43	-	-	-	-	-	28.34	-	-	-	-	28.34
Share application money received on exercise of options		1.44	-	-	-	-	-	-	-	-	-	1.44
Balance as at March 31, 2018		1.44	123.67	16,969.42	3,846.38	601.61	89.21	3,836.44	5,329.29	26.04	(98.34)	30,725.16

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

for and on behalf of Board of Directors of Strides Shasun Limited

Shashank Sinha
Managing Director
DIN: 02544431

Badree Komandur
Executive Director- Finance
DIN: 07803242

Sampad Guha Thakurta
Partner
Membership Number: 060573
Bengaluru, May 18, 2018

Manjula R.
Company Secretary
Membership Number: A30515

Statement of Cash Flows

For the year ended March 31, 2018

₹ in Million

		March 31, 2018	March 31, 2017
Cash flow from operating activities			
Profit before income tax from			
- Continuing operations		1,641.33	1,826.46
- Discontinued operations		7,516.66	(587.46)
Profit before income tax (including discontinued operations)		**9,157.99**	**1,239.00**
Adjustments for:			
- Depreciation and amortisation expense		1,147.68	1,272.57
- Loss / (profit) on sale of property, plant and equipment and intangibles		25.32	(129.20)
- (Gain)/ loss on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)		(8,438.43)	111.23
- Share based compensation expense		24.52	54.71
- Interest expense		1,158.76	1,082.21
- Interest income		(52.94)	(90.03)
- Income from current investment		(447.04)	(703.21)
- Dividend from subsidiaries		(496.09)	-
- Gain on sale of investment (net)		-	16.31
- Rental income from investment property		(61.30)	(60.57)
- Liabilities no longer required written back		-	(7.21)
- Bad debts written off / provision for doubtful trade and other receivables		79.72	2.04
- Business combination and restructuring expense		-	89.73
- Discounting of security deposits received		2.46	2.26
- Provision for diminution in value of investments (Refer note 8(i))		179.99	18.70
- Write down of inventory and other assets		-	630.14
- (Gain) / loss on account of derivative contracts		(16.76)	42.20
- Net unrealised exchange loss / (gain)		186.41	(397.01)
Operating profit before working capital changes		**2,450.29**	**3,173.87**
Changes in working capital:			
(Increase) / decrease in trade and other receivables		(2,349.68)	2,333.96
Decrease / (increase) in inventories		153.97	(1,063.17)
Increase in trade and other payables		581.77	42.26
(Increase) in margin money		(3.59)	(1.46)
Net change in working capital		**(1,617.53)**	**1,311.59**
Cash generated from operations		**832.76**	**4,485.46**
Income taxes paid		(176.84)	(368.09)
Net cash flow generated from operating activities	**A**	**655.92**	**4,117.37**
Cash flow from investing activities			
Capital expenditure on property, plant and equipment, including capital advance		(1,286.64)	(3,303.23)
Proceeds from sale of property, plant and equipment and intangible assets		52.94	1,121.53
Proceeds from sale of investment property		-	15.50
Capital expenditure on intangible assets		(689.79)	(230.87)
Short-term investments in mutual funds		(1,927.51)	(5,281.90)
Proceeds from sale of investment in mutual funds		9,722.42	3,855.98
Investments in subsidiaries and other entities		(6,541.65)	(1,148.20)
Proceeds from sale of investments		908.29	258.85
Net cash outflow on acquisition of business (Refer note 38.1)		-	(30.45)
Proceeds from sale of business division, net of expenses (Refer note 39)		3,887.13	76.00
Loan to others		-	(234.75)
Repayment of loan from others		100.00	-
Advance taken / loan repaid from subsidiaries		948.32	740.95

Statement of Cash Flows

For the year ended March 31, 2018

₹ in Million

		March 31, 2018	March 31, 2017
Repayment of advance/ loan to subsidiaries		(1,380.72)	(99.96)
Interest and dividends received (net of taxes)		622.14	851.84
Rental income from investment property		61.15	57.46
Security deposits received		-	7.65
Repayment of rent deposit received		(2.46)	(7.17)
Expenses relating to business combination		-	(89.73)
Net cash flow generated from / (utilised) in investing activities	**B**	4,473.61	(3,440.50)
Cash flow from financing activities			
Proceeds from issue of equity shares		36.31	33.89
Proceeds from long-term borrowings		1,220.50	1,048.52
Repayment of long-term borrowings		(8,437.32)	(1,317.18)
Proceeds from short-term borrowings		1,753.70	1,126.07
Dividends paid		(402.36)	(357.46)
Dividend distribution taxes paid (net of applicable taxes paid on dividend income from foreign subsidiaries)		(40.50)	(74.80)
Interest paid on borrowings		(1,198.07)	(1,131.43)
Net cash utilised in financing activities	**C**	(7,067.74)	(672.39)
Net (decrease) / increase in cash and cash equivalents during the year	**(A+B+C)**	1,938.21	4.48
Cash and cash equivalents at the beginning of the year		2,805.21	8,188.41
Cash and cash equivalents classified as held for sale		(0.02)	-
On account of reclassification of cash and cash equivalents		-	(5,387.68)
Less: Pursuant to the scheme of demerger		(143.98)	-
Cash and cash equivalents at the end of the year		723.00	2,805.21
Reconciliation of cash and cash equivalents with the Balance Sheet:			
Cash and cash equivalents as per balance sheet (Refer note 16)		723.00	877.70
Add: Current investments considered as part of cash and cash equivalents		-	1,927.51
Net cash and cash equivalents at the end of the year *		723.00	2,805.21
*** Comprises:**			
Cash on hand		1.25	1.99
Balance with banks:			
- In current accounts		631.53	484.44
- In EEFC accounts		-	0.08
- In Escrow accounts		2.00	2.00
- In deposit accounts		28.93	354.17
- Funds-in-transit		59.29	35.02
Current investments considered as part of cash and cash equivalents		-	1,927.51
Total		723.00	2,805.21

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

for and on behalf of Board of Directors of Strides Shasun Limited

Shashank Sinha
Managing Director
DIN: 02544431

Badree Komandur
Executive Director- Finance
DIN: 07803242

Sampad Guha Thakurta
Partner
Membership Number: 060573
Bengaluru, May 18, 2018

Manjula R.
Company Secretary
Membership Number: A30515

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Note No. 01 // General Information

Strides Shasun Limited (the `Company' or `Strides') is a pharmaceutical company domiciled in India, with its registered office situated at 201, Devavrata, Sector 17, Vashi, Navi Mumbai - 400703 and corporate office in Bengaluru, India. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. Strides develops and manufactures a wide range of IP-led niche pharmaceutical products.

Note No. 02 // Basis of preparation of financial statements

2.1 Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements were approved by the Board of Directors and authorised for issue on May 18, 2018.

2.2 Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest million, unless otherwise indicated.

2.3 Basis of measurement

These standalone financial statements have been prepared on the historical cost basis, except for the following items:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations; and
- Equity settled share based payments that are measured at fair value

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS which requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

2.4.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3.16 and 48 — Financial instruments;
- Note 3.10, 3.11 and 3.12— Useful lives of property, plant and equipment, intangible assets and investment property;
- Note 3.4 — Lease classification;
- Note 2.4.2.1 — Impairment of non financial assets:
- Note 44 — Measurement of defined benefit obligation; key actuarial assumptions;
- Note 43 — Share based payments;
- Note 3.9, 11, 39.1 and 42 (b) — Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets.

2.4.2 Assumption and estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2018 is included in the following notes

2.4.2.1 Impairment of non-financial assets

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash 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.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

2.4.2.2 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.4.2.3 Employee benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, attrition rate, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. (Refer note 44)

2.4.2.4 Share based compensation to employees

The Company has granted share based payment plans to its employees. Valuation models are used to calculate the expense for such share-based compensation to employees. These models require a number of assumptions to be made as input. These include financial assumptions as well as various assumptions around individual employee behaviour. (Refer note 43)

2.4.2.5 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. (Refer note 42b)

2.5 Operating cycle

As mentioned in para 1 above under 'Corporate information', the Company is into development and manufacture of pharmaceutical products. Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 3 years to 5 years and 12 months relating to research and development activities and manufacturing of pharmaceutical products respectively. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

2.6 Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

Note No. 03 // Significant accounting policies

3.1 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date (see note 3.8.2); 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

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

amounts of the identifiable assets acquired and the liabilities assumed.

3.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.1 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.

3.3 Revenue recognition

Revenue from the sale of goods and sale of scrap is measured at the fair value of the consideration received or receivable, exclusive of sales tax, Goods and Service Tax (GST) and net of sales return, trade discounts, rebates and other similar allowances. Sales are presented gross of excise duties.

3.3.1 Sale of goods

Revenue from the sale of goods, sale of scrap, sale of dossiers and intellectual property rights are 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
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Profit share revenues

The Company from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement.

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 also sells its products to the customers with a right to return the goods within the specified period of time. If the probability of acceptance by the customer is uncertain, recognition of revenue is deferred till the expiry of right to return or acceptance by the customer whichever is earlier.

Price variations / Incentives

Incentives are accounted based on the assessment of whether the beneficiary (of the incentive) is acting as a principal or an agent. Where the beneficiary is a principal, the incentive is regarded as consideration paid to the customer and is reduced from revenue. However, where the beneficiary is an agent, the incentive payment is recognised as an expense as the same is in the nature of commission.

Chargebacks / Reptos claims by the wholesalers / distributors and Price Protections

Chargebacks and reptos claims are estimated on the basis of the average trend of the past periods and recognised as reduction to revenue.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

3.3.2 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 and capacity reservation is recognised based on contractual terms.

3.3.3Royalty and sale of licenses

The Company enters into certain dossier sales, royalties, licensing and supply arrangements with various parties. Income from licensing arrangements is generally recognised as per the terms of the contract.

3.3.4Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.3.5Rental income

The Company's policy for recognition of revenue from operating leases is described in note 3.4.1 below.

3.3.6 Export incentives

Export incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/ benefits from special import licenses and benefits under specified schemes as applicable.

3.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.4.1The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.4.2The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the standalone balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognised immediately in statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 3.6 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.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

3.5 Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are 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.

3.6 Borrowing costs

Borrowing costs include:

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

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

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

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

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

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

3.7 Employee benefits

3.7.1 Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

3.7.2 Post-employment benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the standalone balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

3.7.3 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

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

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. The same is disclosed under current liabilities - provisions.

3.8 Share-based payment arrangements

3.8.1 Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.8.2 Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Company's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with Ind AS 102 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Company replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with Ind AS 102. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

3.9 Taxation

Income tax expense represents the sum of current tax and deferred tax.

3.9.1 Current tax

Current tax is calculated based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.9.2 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.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

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.

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.10 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The non refundable payments made with respect to Land taken on finance lease (where there is an option to purchase the same at the end of the lease period) is classified under Property, plant and Equipment as "Lease hold Land".

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed to be different and are as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

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

Freehold land is not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. Individual assets costing less than ₹5,000 are depreciated in full in the year of purchase.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

3.11 Investment property

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

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.

3.12 Intangible assets

3.12.1 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.

3.12.2 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 and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.12.3 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.12.4 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.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

3.12.5 Useful lives of intangible assets

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

Registration and Brands	: 10 years to 25 years
Software Licenses	: 5 years

3.13 Impairment of assets

3.13.1 Impairment of financial assets:

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

3.13.2 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.

3.13.3 Impairment of goodwill

Refer note 3.2.

3.13.4 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.

3.14 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 stores and spares: weighted average basis

Work-in progress: at material cost and an appropriate share of production overheads

Finished goods: material cost and an appropriate share of production overheads and excise duty, wherever applicable

Stock-in trade: weighted average basis

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

3.15 Provisions

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

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

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

3.15.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3.15.2 Contingent liabilities

Contingent liabilities are disclosed in notes when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.16 Financial instruments

3.16.1 Investment in subsidiaries, associates and joint ventures

The Company has accounted for its investments in subsidiaries, associates and joint ventures at cost less impairment.

3.16.2 Other financial assets and financial liabilities

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

Initial recognition and measurement:

Other financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Subsequent measurement:

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

3.16.3 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.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

3.16.4 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.

3.16.5 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.

b) Fair value hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity."

3.17 Exceptional items

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

3.18 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

3.19 Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

3.20 Standards / amendments not yet effective

Following new standard and amendment to Ind AS have not been applied by the Company as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers
Ind AS 21 The effect of changes in Foreign Exchange rates

Ind AS 115 - Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers' (New Revenue Standard), which replaces Ind AS 11 'Construction Contracts' and Ind AS 18'Revenue'. The core principle of the New Revenue Standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Some of the key changes introduced by the New Revenue Standard include additional guidance for multiple-element arrangements, measurement approaches for variable consideration, specific guidance for licensing of intellectual property. The new standard also provides guidance on evaluation of performance obligations being distinct to enable separate recognition and could impact timing of recognition of certain elements of multiple element arrangements. Significant additional disclosures in relation to revenue are also prescribed. The New Revenue Standard also provides two broad alternative transition options - Retrospective Method and Cumulative Effect Method - with certain practical expedients available under the Retrospective Method. The Company is in the process of evaluating the impact of the New Revenue Standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

Ind AS 21 - The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

Note No. 04 // Property, plant and equipment

₹ in Million

Particulars	Gross block						Accumulated depreciation / amortisations						Net block	
	As at April 1, 2017	Additions	Deletion on account of Demerger (Refer note 39.2)	Disposals	Classified as held for sale (Refer note 39.6)	As at March 31, 2018	As at April 1, 2017	Depreciation for the year	Deletion on account of Demerger (Refer note 39.2)	Disposal	Classified as held for sale (Refer note 39.6)	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Tangible assets:														
Land:														
- Freehold	850.72	15.72	21.08	-	-	845.36	-	-	-	-	-	-	845.36	850.72
	(868.30)	*(1.00)*	-	*(18.58)*	-	*(850.72)*	-	-	-	-	-	-	*(850.72)*	*(868.30)*
- Leasehold	48.13	-	-	-	-	48.13	-	-	-	-	-	-	48.13	48.13
	(48.13)	-	-	-	-	*(48.13)*	-	-	-	-	-	-	*(48.13)*	*(48.13)*
Buildings	2,242.66	121.32	1,140.92	15.87	-	1,207.19	202.36	94.04	63.89	3.63	-	228.88	978.31	2,040.30
	(1,777.25)	*(473.32)*	-	*(7.91)*	-	*(2,242.66)*	*(93.18)*	*(109.84)*	-	*(0.66)*	-	*(202.36)*	*(2,040.30)*	*(1,684.07)*
Plant and equipments	6,209.59	451.43	3,210.74	61.92	573.25	2,815.11	1,222.25	568.42	691.81	32.00	345.86	721.00	2,094.11	4,987.34
	(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)*
Furniture and fixtures	133.25	28.58	37.24	2.00	28.57	94.02	37.24	18.91	5.61	1.31	16.69	32.54	61.48	96.01
	(104.88)	*(32.00)*	-	*(3.63)*	-	*(133.25)*	*(18.20)*	*(20.69)*	-	*(1.65)*	-	*(37.24)*	*(96.01)*	*(86.68)*
Vehicles	53.09	4.31	9.91	20.35	0.06	27.08	13.55	6.59	4.46	7.12	0.06	8.50	18.58	39.54
	(43.72)	*(15.48)*	-	*(6.11)*	-	*(53.09)*	*(7.03)*	*(8.22)*	-	*(1.70)*	-	*(13.55)*	*(39.54)*	*(36.69)*
Office equipments	495.22	191.37	160.24	2.16	84.42	439.77	178.60	120.74	70.33	1.02	67.33	160.66	279.11	316.62
	(364.61)	*(131.87)*	-	*(1.26)*	-	*(495.22)*	*(75.48)*	*(103.83)*	-	*(0.71)*	-	*(178.60)*	*(316.62)*	*(289.13)*
Total	**10,032.66**	**812.73**	**4,580.13**	**102.30**	**686.30**	**5,476.66**	**1,654.00**	**808.70**	**836.10**	**45.08**	**429.94**	**1,151.58**	**4,325.08**	**8,378.66**
Previous year	*(7,803.35)*	*(2,320.23)*	-	*(90.92)*	-	*(10,032.66)*	*(758.61)*	*(921.12)*	-	*(25.73)*	-	*(1,654.00)*	*(8,378.66)*	

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. The Company is in the process of transferring the said land in its name.

(iv) Details of assets taken on finance lease

₹ in Million

Particulars	Gross block		Net block	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Office equipments	87.99	87.99	39.56	57.16
Total	**87.99**	**87.99**	**39.56**	**57.16**

(v) Disposals include disposal of assets relating to discontinued operations referred to in note 39.3.

(vi) Addition during the year includes capital expenditure towards research and development of ₹59.02 Million (as at March 31, 2017: ₹450.14 Million).

(vii) Refer note 20(i) for properties, plant and equipment pledged as security towards borrowings.

Note No. 05 // Investment property

₹ in Million

Particulars	Gross block					Accumulated depreciation					Net block	
	As at April 1, 2017	Additions	Deletion on account of Demerger (Refer note 39.2)	Disposals	As at March 31, 2018	As at April 1, 2017	Depreciation for the year	Deletion on account of Demerger (Refer note 39.2)	Disposals	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Land	117.95	-	1.99	-	115.96	-	-	-	-	-	115.96	117.95
	(118.66)	-	-	*(0.71)*	*(117.95)*	-	-	-	-	-	*(117.95)*	*(118.66)*
Building	660.44	-	-	-	660.44	77.67	38.75	-	-	116.42	544.02	582.77
	(660.44)	-	-	-	*(660.44)*	*(38.84)*	*(38.83)*	-	-	*(77.67)*	*(582.77)*	*(621.60)*
Total	**778.39**	**-**	**1.99**	**-**	**776.40**	**77.67**	**38.75**	**-**	**-**	**116.42**	**659.98**	**700.72**
Previous year	*(779.10)*	-	-	*(0.71)*	*(778.39)*	*(38.84)*	*(38.83)*	-	-	*(77.67)*	*(700.72)*	

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	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Freehold Land	115.96	115.96	115.96	115.96
Buildings	660.44	660.44	544.02	582.77
Total	**776.40**	**776.40**	**659.98**	**698.73**

(iii) Details of assets held for capital appreciation and not given under lease

₹ in Million

Particulars	Gross block		Net block	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Freehold Land	-	1.99	-	1.99
Total	**-**	**1.99**	**-**	**1.99**

(iv) Fair value of investment properties

The fair value of the Company's investment properties as at March 31, 2018 has been arrived at ₹817.73 Million on the basis of a valuation carried out by independent valuers. The said valuers are registered with the authority which governs valuers in India and have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations. The inputs used are as follows:

- Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property; and
- Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

(v) Refer note 20(i) for investment properties pledged as security towards borrowings.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

(vi) Amounts recognised in profit or loss for investment properties

₹ in Million

	March 31, 2018	March 31, 2017
Rental income	56.08	52.91
Gain on sale of investment property	-	14.79
Depreciation	(38.75)	(38.83)
Profit from investment properties	17.33	28.87

Note No. 06 // Goodwill

₹ in Million

Particulars	As at April 1, 2017	Derecognised on disposal (Refer note 39.3)	Impairment loss recognised in the year	As at March 31, 2018
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	March 31, 2018	March 31, 2017
Regulated Markets	-	-
Emerging Markets	-	749.90
Total	-	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, 2017: 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.

Note No. 07 // Other intangible assets

₹ in Million

Particulars	Gross block						Accumulated amortisations						Net block	
	As at April 1, 2017	Additions	Deletion on account of Demerger (Refer note 39.2)	Disposals	Classified as held for sale (Refer note 39.6)	As at March 31, 2018	As at April 1, 2017	Amortisation for the year	Deletion on account of Demerger (Refer note 39.2)	Disposals	Classified as held for sale (Refer note 39.6)	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
- Internally generated:														
- Registrations and brands*	122.14	227.31	0.75	58.04	-	290.66	56.18	50.05	0.75	6.74	-	98.74	191.92	65.96
	(115.91)	(60.41)	-	(54.18)	-	(122.14)	(40.05)	(35.81)	-	(19.68)	-	(56.18)	(65.96)	(75.86)
- Others:														
- Registrations and brands	2,026.10	-	-	2,026.10	-	-	331.03	128.60	-	459.63	-	-	-	1,695.07
	(1,996.39)	(30.07)	-	(0.36)	-	(2,026.10)	(128.15)	(203.03)	-	(0.15)	-	(331.03)	(1,695.07)	(1,868.24)
- Software and licenses	468.12	267.75	48.69	-	12.11	675.07	120.07	121.58	23.44	-	5.74	212.47	462.60	348.05
	(143.37)	(324.80)	-	(0.05)	-	(468.12)	(46.32)	(73.78)	-	(0.03)	-	(120.07)	(348.05)	(97.05)
Total	**2,616.36**	**495.06**	**49.44**	**2,084.14**	**12.11**	**965.73**	**507.28**	**300.23**	**24.19**	**466.37**	**5.74**	**311.21**	**654.52**	**2,109.08**
Previous year	**(2,255.67)**	**(415.28)**	**-**	**(54.59)**	**-**	**(2,616.36)**	**(214.52)**	**(312.62)**	**-**	**(19.86)**	**-**	**(507.28)**	**(2,109.08)**	

* Additions represents product development expenditure capitalised during the year.

Notes:

(i) Figures in brackets relate to previous year.

(ii) Disposals include disposal of assets relating to discontinued operations referred to in Note 39.3.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Note No. 08 // Investments

Investments consist of the following:

(i) Investments - Non-current

₹ in Million

Particulars	March 31, 2018	March 31, 2017
(A) Investments in subsidiaries: (Carried at cost)		
Equity shares, unquoted		
- 21,188,445 (As at March 31, 2017: 21,188,445) shares of GBP 1 each fully paid up in Strides Arcolab International Limited, UK	2,544.46	2,544.46
- 438,000 (As at March 31, 2017: 438,000) shares of USD 1 each fully paid up in Strides Pharma International Limited, Cyprus	23.13	23.13
- 100 (As at March 31, 2017: 100) shares of SGD 1 each fully paid up in Strides Pharma Asia Pte Limited, Singapore	26.68	26.68
- Nil (As at March 31, 2017: 3,206,665) shares of ₹10 each fully paid up in Strides Healthcare Private Limited, India (Refer note 39.3)	-	481.10
- 1,000 (As at March 31, 2017: 1,000) shares of ₹100 each fully paid up in Strides Consumer Private Limited, India	0.10	0.10
- Nil (As at March 31, 2017: 10,000) shares of ₹10 each fully paid up in Solara Active Pharma Sciences Limited, India (Refer note 39.2)	-	0.10
- Nil (As at March 31, 2017: 15,000) shares of USD 1 each fully paid up in Shasun USA Inc., USA (Refer note 39.2)	-	0.54
- 79,700,435 (As at March 31, 2017: Nil) shares of ₹10 each fully paid up in Strides Chemicals Private Limited, India	1,489.99	-
Less: Provision for diminution in value of investment (refer note (a) below)	(179.99)	-
- Nil (As at March 31, 2017: 3,362,745) shares of ₹10 each fully paid up in Chemsynth Laboratories Private Limited, India (Refer note 39.2)	-	33.63
- 12,788,136 (As at March 31, 2017: 12,788,136) shares of CHF 1 each fully paid up in SVADS Holdings SA, Switzerland	466.59	466.59
- 10,000 (As at March 31, 2017: Nil) shares of ₹10 each fully paid up in Arrow Remedies Private Limited, India	0.21	-
- 1,040,000 (As at March 31, 2017: 1,040,000) shares of ₹10 each fully paid up in Fagris Medica Private Limited, India	18.70	18.70
Less: Provision for diminution in value of investments (refer note (c) below)	(18.70)	(18.70)
Preference shares, unquoted		
- 174,872 (As at March 31, 2017: 158,616) preference shares of SGD 1,000 each fully paid up in Strides Pharma Asia Pte Limited, Singapore	8,362.51	7,559.97
Total (A)	12,733.68	11,136.30
(B) Investments in associates: (Carried at cost)		
Equity shares, unquoted		
- 251,527 (As at March 31, 2017: 251,527) shares of ₹10 each fully paid up in Stelis Biopharma Private Limited, India (Refer note (d) below)	1,258.55	1,258.55
- 14,133,440 (As at March 31, 2017: Nil) shares of ₹10 each fully paid up in Vivimed Life Sciences Private Limited, India	658.62	-
Total (B)	1,917.17	1,258.55
(C) Investments in joint ventures: (Carried at cost)		
Equity shares, unquoted		
- Nil (As at March 31, 2017: 1,312,500) shares of USD 1 each fully paid up in Shasun NBI LLC, USA (Refer note (b) below)	-	63.88
Less: Provision for diminution in value of investments	-	(63.88)
Total (C)	-	-

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

₹ in Million

Particulars	March 31, 2018	March 31, 2017
(D) Other investments (Carried at fair value through profit or loss)		
Equity shares, unquoted		
- Nil (As at March 31, 2017: 828,675) shares of ₹10 each fully paid up in Clarion Wind Farm Private Limited, India (Refer note 39.2)	-	8.29
- 56,909 (As at March 31, 2017: 110,870) shares of ₹10 each fully paid up in Beta Wind Farm Private Limited, India (Refer note (e) below)	1.08	2.11
- Nil (As at March 31, 2017: 45,000) shares of ₹10 each fully paid up in Tulsyan Lec Limited, India (Refer note 39.2)	-	1.35
- Nil (As at March 31, 2017: 4,242) shares of ₹100 each fully paid up in SIPCOT Industrial Common Utilities Limited, India (Refer note 39.2)	-	0.42
Total (D)	1.08	12.17
Total [A+B+C+D]	14,651.93	12,407.02
Aggregate amount of unquoted investments	14,651.93	12,407.02
Aggregate amount financial assets carried at cost	14,650.85	12,394.85
Aggregate amount financial assets carried at fair value through profit or loss	1.08	12.17
Aggregate amount of provision for diminution in value of investments	(198.69)	(82.58)

Refer note 40 for disclosures with respect to section 186(4) of Companies Act, 2013. Refer note 45 for related party transactions.

Note:

a) Subsequent to the balance sheet date, the Board of Directors proposed to sell the entire investments in Strides Chemicals Private Limited to Solara Active Pharma Sciences Limited for a consideration of not less than ₹1,310 Million. Accordingly, impairment loss to the extent of ₹179.99 Million has been recognised in the Statement of Profit and Loss and is included under Exceptional Items.

b) During the year, Shasun NBI, LLC, USA has been wound up and accordingly the investments and the provision for diminution in value of investments has been written off in the books of accounts.

c) During the previous 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.

d) Stelis Biopharma Private Limited (Stelis) until March 31, 2016 was assessed to be a subsidiary of 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 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.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

e) Pursuant to The Scheme of demerger (Refer note 39.2) the original investment of 3,91,185 fully paid up equity shares made in Beta Wind Farm Private Limited by Strides Shasun Limited has been split between the demerged and resulting entities as on March 31, 2018. Below are the shares held by respective entities in proportion of consumption to comply with the Electricity rules.

Strides Shasun Limited (for HTSC No. 443 of Chengalput EDC) - 56,909 shares

Solara Active Pharma Sciences Limited (for HTSC No. 64 of Cuddalore EDC) - 334,276 shares

(ii) Investments - Current

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Quoted investments		
Investment in mutual funds:		
Investments measured at fair value through Profit and Loss:		
- Reliance Liquid Fund - Treasury Plan - Daily dividend option (Units As at March 31, 2018: 8,581.157, March 31, 2017: 299,932.22)	13.13	458.52
- Reliance Floating Rate Fund - Short Term Plan - Growth Plan (Units As at March 31, 2018: 12,382,228.616, March 31, 2017: 12,382,228.616)	339.33	318.86
- Reliance Floating Rate Fund - Short Term Plan - Direct Monthly Dividend Plan (Units As at March 31, 2018: 93,906,412.869, March 31, 2017: 93,906,412.869)	1,031.21	1,018.65
- Reliance Banking & PSU Debt Fund - Direct Monthly Dividend Plan (Units As at March 31, 2018: 47,453,064.062, March 31, 2017: 361,213,176.255)	492.97	3,715.22
- Reliance Floating Rate Fund - Short Term Plan - Direct Daily - Dividend Reinvestment (Units As at March 31, 2018: 91,737,897.163, March 31, 2017: 93,132,496.994)	928.96	942.50
- IDFC Super Saver Income Fund - Short Term Plan - Monthly Dividend - Direct Plan (Units As at March 31, 2018: Nil, March 31, 2017: 36,056,652.212)	-	374.42
- L&T Liquid Fund Direct Plan - Daily Dividend Reinvestment Plan (Units As at March 31, 2018: 5,340.35, March 31, 2017: 22,519.449)	5.41	22.81
- SBI Premier Liquid Fund - Direct Plan - Daily dividend option (Units As at March 31, 2018: 3,444.399, March 31, 2017: 585,330.993)	3.46	587.23
- ICICI Prudential Liquid - Direct Plan - Daily Dividend (Units As at March 31, 2018: 40,529.205, March 31, 2017: 5,386,201.904)	4.06	538.99
- ICICI Prudential Ultra Short Term - Direct Plan - Daily Dividend (Units As at March 31, 2018: 10,434,415.064, March 31, 2017: 105,412,659.519)	105.51	1,065.34
- ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Daily Dividend (Units As at March 31, 2018: 18,121,190.095, March 31, 2017: 362,093,006.272)	189.52	3,752.84
- Birla Sun Life Fixed Term Plan-Series KW-Growth Direct - Reinvestment (Units As at March 31, 2018: 12,278.49 , March 31, 2017: Nil,)	1.23	-
Total	3,114.79	12,795.38
Current investments offered as security towards:		
- Borrowing availed by the Company (Refer note 20)	-	10,867.87
Highly liquid investments that are readily convertible into known amounts of cash and cash equivalents.	3,114.79	1,927.51
The market value of quoted investments is equal to the carrying value.		

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Note No. 09 // Loans

Loans (unsecured) consist of the following:

(i) Long-term loans

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Considered good:		
Security deposits *	148.53	197.20
Loans to:		
- Employees	-	0.85
- Related parties (Refer note 45)	226.41	-
- Other parties	-	350.00
Total	374.94	548.05

* Includes security deposit given to related parties (Refer note 45)

(ii) Short-term loans

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Considered good:		
Loans to:		
- Employees	12.34	60.98
- Related parties (Refer note 45)	-	25.48
- Other parties	250.00	-
Total	262.34	86.46

Note No. 10 // Other financial assets

Other financial assets consist of the following:

(i) Non-current financial assets

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Application money paid towards securities to subsidiaries*		
- Strides Pharma Asia Pte Limited, Singapore	2,065.89	784.80
- Strides Arcolab International Limited, UK	1,923.43	-
Total	3,989.32	784.80

*Shares pertaining to the above were allotted in line with the timelines prescribed by the Reserve Bank of India.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

(ii) Current financial assets

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Unsecured, considered good:		
Receivables from related parties (Refer note 45)	934.51	137.90
Interest accrued on deposit	0.71	0.78
Interest accrued on loans and advances given	35.69	32.47
Derivative asset	46.77	384.90
Others:		
- Receivable from director (Refer note 45)	1.67	-
- Dividend receivable from subsidiaries (Refer note 45)	293.96	-
- Gratuity claim receivables	0.62	5.28
- Insurance claim receivables	-	24.12
- Others	14.00	15.11
Total	1,327.93	600.56

Note No. 11 // Deferred tax balances

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	997.33	1,090.55
Deferred tax liabilities	(462.24)	(897.17)
Deferred tax assets/ liabilities (net)	535.09	193.38

₹ in Million

FY 2017-18	Opening balance	Acquisitions/ disposals	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Cash flow hedges	(117.84)	-	-	104.05	(13.79)
Property, plant and equipment	(581.95)	209.19	65.99	-	(306.77)
Goodwill	(88.47)	-	88.47	-	-
Intangible assets	(82.86)	(1.63)	(42.72)	-	(127.21)
FVTPL financial assets	(26.05)	-	11.58	-	(14.47)
Defined benefit obligation	78.16	(42.07)	12.41	0.46	48.96
Provision for employee benefits	137.76	(47.86)	24.88	-	114.78
Merger related expenses	26.92	-	(2.76)	-	24.16
Others	60.95	(11.70)	10.72	-	59.97
	(593.38)	105.93	168.57	104.51	(214.37)
MAT Credit entitlement	468.69	-	280.77	-	749.46
Tax losses	318.07	-	(318.07)	-	-
Total	193.38	105.93	131.27	104.51	535.09

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

₹ in Million

FY 2016-17	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)
Goodwill	(32.59)	-	(55.88)	-	(88.47)
Intangible assets	(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**

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (MAT). MAT paid can be carried forward for a certain period and can be set off against the future tax liabilities. MAT is recognised as deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefits associated with the asset will be realised.

Note No. 12 // Income tax assets (net)

The income tax assets consists of the following:

(i) Non-current income tax assets

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Advance income tax (net of provisions)	408.37	487.08
Taxes paid under protest	698.17	698.17
Income tax refund receivable	-	4.39
Total	1,106.54	1,189.64

Note No. 13 // Other assets

Other assets (unsecured) consist of the following:

(i) Other non-current assets

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Considered good:		
- Capital advances	66.08	177.91
- Advances to related parties (Refer note 45)	-	23.04
- Advances to others	-	75.50
- Prepaid expenses	1.57	49.47
- Lease equalisation asset	22.22	22.06
Balances with government authorities:		
- VAT credit / refund receivable	1.36	1.36
- Taxes paid under protest	24.23	26.31
Others:		
- Receivable from KIADB	4.79	6.44
Total	120.25	382.09

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

(ii) Other current assets

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Considered good:		
Advances to suppliers	213.48	380.35
Advances to employees	5.34	1.23
Advances to related parties (refer note 45)	345.73	276.73
Prepaid expenses	114.38	137.36
Incentives receivables	321.14	583.26
Balances with government authorities	931.86	478.90
Total	1,931.93	1,857.83

Note No. 14 // Inventories *

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Raw materials (including goods in transit)	1,937.07	2,455.47
Work-in-progress	256.07	634.82
Finished goods	395.96	487.44
Stock-in-trade	4.55	397.18
Stores and spares	102.63	120.39
Total	2,696.28	4,095.30

* Refer note 3.14 for mode of valuation of inventories.

The amount of write down of inventory recognised as an expense in the statement of profit and loss during the year is ₹176.75 Million (March 31, 2017: ₹827.76 Million)

Note No. 15 // Trade receivables

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Unsecured		
Considered good *	4,493.65	5,406.85
Considered doubtful	173.22	172.64
	4,666.87	5,579.49
Less: Allowance for credit loss	(173.22)	(172.64)
Total	4,493.65	5,406.85

*Includes receivables from related parties (Refer note 45)

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.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Movement in expected credit loss allowance

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Balance at the beginning of the year	172.64	194.85
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0.58	(22.21)
Balance at end of the year	173.22	172.64

The Company has availed bill discounting facilities from the banks which do not meet the derecognition criteria for transfer of contractual rights to receive cash flows from the respective trade receivables since they are with recourse to the Company. Accordingly as at March 31, 2018, trade receivables balances include ₹484.92 Million (As at March 31, 2017: ₹264.56 Million) and the corresponding financial liability to the banks is included as part of working capital loan under short-term borrowings.

Note No. 16 // Cash and cash equivalents

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Cash on hand	1.25	1.99
Balances with banks:		
- In current accounts	631.53	484.44
- In EEFC accounts	-	0.08
- In Escrow account	2.00	2.00
- In deposit accounts	28.93	354.17
- Funds-in-transit	59.29	35.02
Total	723.00	877.70

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	846,500	543,671	1,390,171
(+) Permitted receipts	140,500	3,341,229	3,481,729
(-) Permitted payments	500	3,149,698	3,150,198
(-) Amounts Deposited in Banks	986,500	-	986,500
Closing cash on hand as on December 30, 2016	-	735,202	735,202

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Note No. 17 // Other balances with banks

₹ in Million

Particulars	March 31, 2018	March 31, 2017
In earmarked accounts:		
- Unpaid dividend accounts	66.89	67.08
- Unpaid shares accounts	0.33	0.33
- Group gratuity accounts	1.26	1.26
- Balance held as margin money against working capital facilities with banks	6.41	2.82
Total	74.89	71.49

Note No. 18 // Equity share capital

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Authorised		
176,750,000 equity shares of ₹10/- each with voting rights (March 31, 2017: 176,750,000 Equity shares of ₹10/- each)	1,767.50	1,767.50
	1,767.50	1,767.50
Issued, subscribed and fully paid-up		
89,500,035 equity shares of ₹10/- each with voting rights (March 31, 2017: 89,423,006 equity shares of ₹10/- each)	895.00	894.23
Total	895.00	894.23

(i) Reconciliation of number of shares and amount outstanding

Particulars	March 31, 2018		March 31, 2017	
	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	89,423,006	894.23	89,345,978	893.46
Changes in equity share capital during the year				
- Shares issued pursuant to exercise of stock options (Refer note 43)	77,029	0.77	77,028	0.77
Balance at the end of the year	89,500,035	895.00	89,423,006	894.23

(ii) Detail of the rights, preferences and restrictions attaching to each class of shares outstanding equity shares of ₹10/- each:

The Company has only one class of equity shares, having a par value of ₹10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to approval by the shareholders at the ensuing annual general meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

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

Particulars	March 31, 2018		March 31, 2017	
	No. of shares	%	No. of shares	%
Pronomz Ventures LLP	12,665,000	14.15%	12,665,000	14.16%
SBI Magnum Multiplier Fund	6,740,140	7.53%	5,818,481	6.51%

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

Particulars	No. of shares	
	March 31, 2018	March 31, 2017
Towards employee stock options under the various Strides stock option plans (Refer note 43)	3,030,692	3,193,097
Total	3,030,692	3,193,097

(v) Buy back of shares, issue of bonus shares and shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.

There have been no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the Balance sheet date.

Note No. 19 // Other equity

₹ in Million

Particulars		Note	March 31, 2018	March 31, 2017
(A)	**Share application money pending allotment**	19 (A)	1.44	-
(B)	**Reserves and surplus**			
i)	Capital reserve	19 (B) (i)	123.67	123.67
ii)	Securities premium account			
	Securities premium	19 (B) (ii) (a)	16,969.42	18,879.21
	Reserve for Business Restructure (BRR)	19 (B) (ii) (b)	3,846.38	3,846.38
iii)	Capital redemption reserve	19 (B) (iii)	601.61	601.61
iv)	Share options outstanding account	19 (B) (iv)	89.21	88.55
v)	General reserve	19 (B) (v)	3,836.44	3,836.44
vi)	Retained earnings	19 (B) (vi)	5,329.29	3,930.01
(C)	**Items of other comprehensive income**			
i)	Effective portion of cash flow hedge	19 (C) (i)	26.04	222.64
ii)	Remeasurement of the defined benefit liabilities / (assets)	19 (C) (ii)	(98.34)	(97.47)
Total			30,725.16	31,431.04

₹ in Million

Particulars	March 31, 2018	March 31, 2017
(A) Share application money pending allotment		
Opening balance	-	-
Add: Received on exercise of options	1.44	-
Closing balance (A)	1.44	-
(B) Reserves and surplus		
(i) Capital reserve		
Opening balance	123.67	152.94
Less: Pursuant to common control business combinations (Refer note 38.1 note A)	-	(29.27)
Closing balance	123.67	123.67

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

₹ in Million

Particulars	March 31, 2018	March 31, 2017
(ii) Securities premium account		
(a) Securities premium		
Opening balance	18,879.21	18,822.24
Add: Premium received on shares issued during the year (Refer note 43)	61.78	56.97
Less: Adjustment pursuant to Scheme of Demerger (Refer note 39.2)	(1,971.57)	-
Closing balance	16,969.42	18,879.21
(b) Reserve for Business Restructure (BRR)		
Opening balance	3,846.38	3,846.38
Add: Movement during the year	-	-
Closing balance	3,846.38	3,846.38
Total Securities premium	20,815.80	22,725.59
(iii) Capital redemption reserve		
Opening balance	601.61	601.61
Add: Movement during the year	-	-
Closing balance	601.61	601.61
(iv) Share options outstanding account (Refer notes 43)		
Opening balance	88.55	57.74
Add: Employee stock compensation expenses (including expenses pertaining to discontinued operations)	28.34	54.70
Less: Transferred to securities premium account on exercise of ESOPs	(27.68)	(23.89)
Closing balance	89.21	88.55
(v) General reserve		
Opening balance	3,836.44	3,836.44
Add: Movement during the year	-	-
Closing balance	3,836.44	3,836.44
(vi) Retained earnings		
Opening balance	3,930.01	3,276.90
Add: Profit for the year	8,915.91	1,085.37
Less: Adjustment pursuant to the scheme of demerger (Refer note 39.2)	(7,038.43)	-
Final dividend on equity shares (₹4.5 per share, previous year ₹4 per share)	(402.72)	(357.46)
Tax on final dividend	(40.50)	(74.80)
Tax on dividend received from subsidiaries (to the extent adjusted against tax on final dividend)	(34.98)	-
Closing balance	5,329.29	3,930.01
Total Reserves and surplus (B)	30,796.02	31,305.87
(C) Items of other comprehensive income		
(i) Effective portion of cash flow hedge		
Opening balance	222.64	91.89
Add / (less): Movement during the year	(300.65)	200.17
Add / (less): Tax impact on the above	104.05	(69.42)
Closing balance	26.04	222.64
(ii) Remeasurement of the defined benefit liabilities / (assets) (Refer note 44)		
Opening balance	(97.47)	(3.34)
Add / (less): Movement during the year	(1.33)	(143.96)
Add / (less): Tax impact on above	0.46	49.83
Closing balance	(98.34)	(97.47)
Total items of other comprehensive income (C)	(72.30)	125.17
Other equity [(A) + (B) + (C)]	30,725.16	31,431.04

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Nature and purpose of other reserve

(a) Capital reserve

Capital reserve is created in the earlier years on account of FCCB's, Mergers and acquisitions and Demergers. It is utilised in accordance with the provisions of the Companies Act, 2013.

(b) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(c) Reserve for Business Restructure

The Scheme of restructuring approved by the shareholders on April 13, 2009 included a Scheme of Arrangement that envisaged the creation of a Reserve for Business Restructure (BRR) as set out in the Scheme. The Reserve was to be 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.

(d) Capital redemption reserve

Capital redemption reserve is a statutory, non-distributable reserve into which the amounts are transferred following the redemption or purchase of Company's own shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(e) Share options outstanding account

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

(f) General reserve

General reserves are the retained earnings of a Company which are appropriated out of Company's profits. General reserve is a free reserve which can be utilized for any purpose after fulfilling certain conditions in accordance with the provisions of the Companies Act, 2013.

(g) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.

(g) Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

(h) Remeasurement of the defined benefit liabilities / (asset)

The cumulative balances of actuarial gain or loss arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Items included in actuarial gain or loss reserve will not be reclassified subsequently to statement of profit and loss.

Note No. 20 // Borrowings

Borrowings consist of the following:

(i) Non-current borrowings

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Secured		
- Term loans from banks (Refer note (i) to (vi) below	3.62	3,979.84
- Term loans from others (Refer note (vii) to (ix) below)	-	3,675.05
- Finance lease obligation (Refer note (x) below)	20.83	39.64
Total	24.45	7,694.53

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Details of security and terms of repayment for the non-current borrowings:

₹ in Million

Terms of repayment and security		March 31, 2018	March 31, 2017
(i)	Term loans from banks: Loan 1		
	Long-term loan	3.62	8.21
	Current maturities of long-term loan	2.39	7.32
	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, 2018 varies between 8 to 32 instalments.		
(ii)	Term loans from banks: Loan 2		
	Long-term loan	-	-
	Current maturities of long-term loan	-	891.30
	Security: Charge on fixed assets of the Company, (other than land and building situated at Navi Mumbai 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 instalments commencing after 24 months from initial utilization date. The loan was entirely repaid during the current year.		
(iii)	Term loans from banks: Loan 3		
	Long-term loan	-	1,661.97
	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, 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 instalments commencing after 18 months from initial utilization date. The loan was entirely repaid during the current year. During the year 2016-17, the Bank has assigned ₹1,000 Million to financial institution given under (vii) below.		
(iv)	Term loans 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, Hosur and Kumarpettai properties) and second charge on current assets of the Company Rate of interest: MCLR Repayment terms: 16 unequal quarterly instalments commencing after 18 months from initial utilization date. The loan was entirely repaid during the current year.		
(v)	Term loans from banks: Loan 5		
	Long-term loan	-	101.45
	Current maturities of long-term loan	-	81.09
	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 centre 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 instalments commencing after 15 months from initial utilization date. The loan has been transferred to Solara Active Pharma Sciences Limited pursuant to the scheme of demerger (Refer note 39.2)		

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

₹ in Million

Terms of repayment and security		March 31, 2018	March 31, 2017
(vi)	Term loans from banks: Loan 6		
	Long-term loan	-	1,217.23
	Current maturities of long-term loan	-	341.50
	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 instalments commencing after 6 months from initial utilization date. The loan was entirely repaid during the current year.		
(vii)	Term loans 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, 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 instalments commencing after 18 months from initial utilization date. The loan has been transferred to Solara Active Pharma Sciences Limited pursuant to the scheme of demerger (Refer note 39.2)		
(viii)	Term loans from others: Loan 2		
	Long-term loan	-	2,848.23
	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, 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 instalments commencing after 18 months from initial utilization date. The loan was entirely repaid during the current year.		
(ix)	Long-term loans from others: Loan 3		
	Long-term loan	-	0.09
	Current maturities of long-term loan	-	1.18
	Security: Hypothecation of assets procured from the term loans. Rate of interest: 9.86% p.a. Repayment terms: Repayable in 60 monthly instalments commencing from May 2013. The loan was entirely repaid during the current year.		
(x)	Finance lease obligation:		
	Long-term maturity of finance lease obligation	20.83	39.64
	Current maturities of finance lease obligation	18.81	16.98
	Security: Underlying assets Rate of interest: 10.37% p.a. Repayment terms: Repayable in 20 quarterly instalments commencing from July 2015. The outstanding term as at March 31, 2018 is 8 instalments.		
Total		45.65	9,605.86

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Disclosed under long term borrowings	24.45	7,694.53
Disclosed under other current liabilities :		
-Current maturities of long-term loans	2.39	1,894.35
-Current maturities of finance lease obligations	18.81	16.98
Total	45.65	9,605.86

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

(ii) Current borrowings

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Current		
Secured loans repayable on demand from banks: (Refer note below)		
- Working capital loans	4,727.42	5,489.89
- Short-term loans	770.00	234.53
Unsecured loans		
- Loans repayable on demand from banks and others	518.49	750.00
Total	6,015.91	6,474.42

Note:
Details of security for the secured loans repayable on demand: Working capital and short term loans from banks are secured by first pari passu charge over current assets of the Company and second pari passu charge on movable and immovable fixed assets of the Company (other than land and building situated at Navi Mumbai and Hosur).

Short-term loans are secured by pledge over current investments in mutual funds to the extent of ₹ Nil (As at March 31, 2017: ₹318.86 Million).

Rate of interest ranges from 3.45% to 11.40%

Net debt reconciliation

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Non-current borrowings	24.45	7,694.53
Current borrowings	6,015.91	6,474.42
Current maturities of non-current borrowings	21.20	1,911.33
Less:		
Cash and cash equivalents	723.00	877.70
Current investments (highly liquid)	3,114.79	1,927.51
Net debt	2,223.77	13,275.07

₹ in Million

Particulars	Cash and cash equivalents	Current investments	Non Current borrowings (including current maturities)	Current borrowings	Total
As at April 1, 2017	877.70	1,927.51	9,605.86	6,474.42	13,275.07
Pursuant to scheme of demerger (Refer note 39.2)	(143.98)	-	(2,326.41)	(2,237.08)	(4,419.51)
Cash flows	(10.70)	-	(7,216.82)	1,753.70	(5,452.42)
Classified as held for sale	(0.02)	-	-	-	0.02
Others	-	1,187.28	(16.98)	24.87	(1,179.39)
As at March 31, 2018	723.00	3,114.79	45.65	6,015.91	2,223.77

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Note No. 21 // Other financial liabilities

Other financial liabilities consist of the following:

(i) Other non-current financial liabilities

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Security deposits	25.79	37.87
Put option liability	-	175.11
Total	25.79	212.98

(ii) Other current financial liabilities

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Current maturities of long-term loans from banks (Refer note 20(i) above)	2.39	1,894.35
Current maturities of finance lease obligations (Refer note 20(i) above)	18.81	16.98
Interest accrued but not due on borrowings	-	46.47
Unclaimed dividends *	66.89	67.09
Mark to market loss on derivative instruments	6.95	16.76
Other payables:		
- Payables to employees under incentive plan	20.69	69.66
- Payable to subsidiaries (Refer note 45)	-	51.47
- Payables on purchase of property, plant and equipment and intangibles	3.76	61.39
- Payables on purchase of investment in subsidiary	90.00	-
- Book overdraft	-	266.57
- Others	0.70	0.33
Total	210.19	2,491.07

*Investor Education and Protection Fund shall be credited when due.

Note No. 22 // Provisions

Provisions consist of the following:

(i) Non-current provisions

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Provision for employee benefits:		
Gratuity (Refer note 44)	133.21	225.84
Total	133.21	225.84

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

(ii) Current provisions

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Provision for sales return	90.00	-
Provision for employee benefits:		
- Compensated absences	178.36	258.74
Total	268.36	258.74

₹ in Million

Movement in provisions	Gratuity	Compensated absences	Sales return
Opening balance	225.84	258.74	-
Adjustment pursuant to the scheme of demerger (Refer note 39.2)	(121.54)	(8.38)	-
Provision recognised/ (utilised) during the year	28.91	(72.00)	90.00
Closing balance	133.21	178.36	90.00

Note No. 23 // Other liabilities

Other liabilities consist of the following;

(i) Other non-current liabilities

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Prepaid rent liability	6.57	8.98
Lease equalisation liability	0.97	3.23
Total	7.54	12.21

(ii) Other current liabilities

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Other payables:		
- Advance from customers	375.66	263.45
- Statutory liabilities	117.94	148.23
Total	493.60	411.68

Note No. 24 // Trade payables

₹ in Million

Particulars	March 31, 2018	March 31, 2017
- Total outstanding dues of micro enterprises and small enterprises (Refer note (i) below)	44.67	21.46
- Total outstanding dues of creditors other than micro and enterprises *	3,862.57	4,684.18
Total	3,907.24	4,705.64

* Includes dues to related party (Refer note 45)

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

(i) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at March 31, 2018. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

₹ in Million

Particulars		March 31, 2018	March 31, 2017
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year		
	- Principal amount due to micro and small enterprises	44.67	21.46
	- Interest due on the above	-	-
(ii)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iv)	The amount of interest accrued and remaining un-paid at the end of each accounting year.		
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

All trade payables are current. The Company exposure to currency and liquidity risks related to trade payables is disclosed in note no 48.

Note No. 25 // Current tax liabilities (net)

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Provision for income tax (net of advance tax)	113.83	-
Total	113.83	-

Note No. 26 // Revenue from operations

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Sale of products	12,709.11	12,609.64
Sale of services (Refer note (i) below)	364.64	83.83
Other operating revenues (Refer note (ii) below)	1,622.31	1,124.72
Total	14,696.06	13,818.19

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Note:

(i) Sale of services comprises:

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Development income	142.02	81.70
Licensing fees	7.27	2.13
Capacity reservation fees and others	215.35	-
Total	364.64	83.83

(ii) Other operating revenue comprises:

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Sale of intellectual property rights	1,056.05	-
Royalty income	269.20	860.68
Export incentives	233.96	200.51
Others	63.10	63.53
Total	1,622.31	1,124.72

Note No. 27 // Other income

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Interest income (Refer note (i) below)	47.54	84.25
Income from current investment	447.04	703.22
Dividend from subsidiaries (Refer note 45)	496.09	-
Rental income from operating leases	61.30	60.57
Exchange fluctuation gain, net	-	202.69
Other non-operating income		
- Guarantee commission*	502.23	499.45
- Gain on sale of property, plant and equipment and intangibles	-	111.62
- Liabilities no longer required written back	-	7.21
- Others	7.79	21.54
Total	1,561.99	1,690.55

* Includes guarantee commission from related parties (refer note 45).

Note:

(i) Interest income comprises:

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Interest from banks on deposits	12.32	23.03
Interest on loans and advances	31.02	58.88
Interest from others	4.20	2.34
Total	47.54	84.25

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Note No. 28 // Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Inventories at the end of the year:		
- Finished goods	395.96	487.44
- Work-in-progress	256.07	634.82
- Stock-in-trade	4.55	397.18
	656.58	1,519.44
Closing stock pertaining to Scheme of demerger and business disposed during the year (Refer note 39)		
- Finished goods	-	(366.10)
- Work-in-progress	-	(416.13)
- Stock-in-trade	-	(258.50)
	-	(1,040.73)
Inventories at the beginning 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
Opening stock pertaining to Scheme of demerger and business disposed during the year (Refer note 39)		
- Finished goods	(366.10)	(333.10)
- Work-in-progress	(416.13)	(555.10)
- Stock-in-trade	(258.50)	(112.90)
	(1,040.73)	(1,001.10)
Net (increase) / decrease	(177.87)	(127.12)

Note No. 29 // Employee benefits expense

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Salaries, wages and bonus	1,890.30	1,950.78
Contributions to provident and other funds (Refer note 43)	172.50	114.28
Share based compensation expense (Refer note 43)	22.13	54.71
Staff welfare expenses	160.42	165.00
Total	2,245.35	2,284.77

Note No. 30 // Finance costs

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Interest on borrowings	775.52	685.52
Other finance costs	44.18	34.12
Total	819.70	719.64

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Note No. 31 // Depreciation and amortisation expense

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Depreciation on property, plant and equipment	808.70	921.12
Depreciation on investment property	38.75	38.83
Amortisation on intangible asset	300.23	312.62
Total	1,147.68	1,272.57
- from continuing operations	778.05	700.06
- from discontinued operations	369.63	572.51
	1,147.68	1,272.57

Note No. 32 // Other expenses

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Subcontracting charges	155.25	142.51
Power, fuel and water charges	330.81	258.23
Rent (Refer note 46)	127.57	128.36
Repairs and maintenance:		
- Buildings	17.96	30.44
- Machinery	208.51	260.96
- Others	113.95	124.61
Insurance	40.47	53.94
Rates and taxes	88.60	82.57
Communication expense	52.18	57.86
Travelling and conveyance	122.23	137.91
Printing and stationery	24.98	27.14
Carriage, freight and forwarding	220.07	213.84
Sales commission	7.55	40.03
Business promotion	37.64	24.11
Royalty expenses	18.33	26.35
Donations and contributions	9.13	8.45
Expenditure on Corporate Social Responsibility (Refer note (i) below)	24.12	25.26
Legal and professional fees	313.91	290.71
Payments to auditors (Refer note (ii) below)	21.89	26.12
Bad debts written off / provision for doubtful trade and other receivables	57.21	2.04
Loss on sale of property, plant and equipment and intangibles	18.58	0.01
Consumption of stores and spares	447.99	418.69
Research and development expenses (Refer note 36)	124.12	79.23
Net exchange on foreign currency transactions	19.46	-
Miscellaneous expenses	64.79	22.25
Total	2,667.30	2,481.62

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Note:

(i) Expenditure on Corporate Social Responsibility:

₹ in Million

Particulars			March 31, 2018	March 31, 2017
(a)	Gross amount required to be spent during the year		23.15	24.59
(b)	Amount spent during the year on :			
	(i)	Construction / acquisition of any asset	-	-
	(ii)	On purpose other than (i) above	24.12	25.26
Total			24.12	25.26

(ii) Payments to the auditors comprises (net of taxes) for:

₹ in Million

Particulars	March 31, 2018	March 31, 2017
- Audit of Standalone and consolidated financial statements including limited review *	14.30	14.30
- Other services *	6.45	9.10
- Taxation matters	-	2.22
- Reimbursement of expenses	1.14	0.50
Total	21.89	26.12

* Includes fees paid to previous auditor towards limited review ₹1.5 Million and other services ₹1.68 Million.

Note No. 33 // Exceptional items

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Exchange gain / (loss) net (Refer note (i) below)	19.36	27.26
Provision for diminution in value of investment (Refer note 8(i))	(179.99)	(18.70)
Write down of inventory and other assets	(111.87)	(26.89)
Net gain / (loss) on sale of investments		
- Aponia Laboratories Inc.	-	8.99
- Strides Biologix Private Limited	-	(25.30)
Business combination and restructuring expense	(38.07)	(75.42)
Gain / (loss) on account of derivative contracts	16.76	(42.20)
Others	-	0.67
Total (net)	(293.81)	(151.59)

(i) Exchange gain / (loss) net comprises:

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Exchange gain / (loss) on restatement of long-term foreign currency loans	19.37	63.01
Exchange gain / (loss) on restatement of loans to subsidiaries	(0.01)	(35.75)
Total (net)	19.36	27.26

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Note No. 34 // Tax expenses

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Current Tax		
Current tax expenses	373.22	124.97
Current tax expense relating to prior years	-	(6.61)
Deferred tax benefit		
Deferred tax (benefit) / expense	(15.61)	28.96
Minimum alternative tax credit reversed / utilised	-	159.78
Minimum alternative tax credit availed	(280.76)	-
Net tax expense	76.85	307.10

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Profit / (loss) before income taxes		
- from continuing operations	1,641.33	1,826.47
- from discontinued operations	7,516.66	(587.46)
	9,157.99	1,239.01
Indian statutory income tax rate	34.61%	34.61%
Expected income tax expense	3,169.40	428.79
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:		
Income exempt from tax	(2,576.51)	(250.82)
Effect of concessions	(286.72)	(646.08)
Tax pertaining to prior years	-	233.14
Others (net)	(64.09)	388.59
Total Income tax expense	242.08	153.62
Income tax expense attributable to:		
Profit from continuing operations	76.85	307.10
Profit from discontinued operations	165.23	(153.47)
	242.08	153.63

Refer note 11 for significant components of deferred tax assets and liabilities.

Note No. 35 // Earnings and expenditure in foreign currency

35.1 Earnings in foreign currency*

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Value of export of goods	13,026.86	15,066.54
Development income	193.63	225.00
Licensing income	7.27	2.13
Dossier sale/ intellectual property rights	1,056.05	-
Capacity reservation income	150.20	-
Royalty income	269.20	860.68
Dividend Income from non-current investment in wholly-owned subsidiaries	496.09	-
Guarantee commission	464.74	478.04
Interest income	-	6.41
Other income	33.08	45.04
Total	15,697.12	16,683.84

* Includes earnings from discontinued operations

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

35.2 Expenditure in foreign currency*

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Travelling and conveyance	0.05	4.75
Sales commission	16.71	59.63
Royalty expenses	17.07	30.81
Finance costs	248.59	329.09
Consumption of stores and spares	25.19	47.83
Legal and professional fees	143.87	66.29
Rates and taxes (Product registration and renewal charges)	47.52	39.85
Carriage freight and forwarding	37.48	21.61
Research and development expenses	105.27	5.62
Business promotion	9.41	3.89
Salaries, wages and bonus	25.98	19.99
Others	58.28	29.62
Total	735.42	658.98

* Includes costs debited to discontinued operations

Note No. 36 // Details of research and development expenditure incurred (charged to statement of profit and loss)

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Salaries, wages and bonus	654.11	570.47
Cost of materials consumed	113.54	116.78
Legal and professional fees	138.14	28.04
Bio study expense	38.68	79.26
Consumption of stores and spares	252.02	262.52
Travelling and conveyance	21.71	14.73
Depreciation and amortisation expense	140.69	130.14
Others*	382.80	329.23
Total	1,741.69	1,531.17

* Includes ₹111.87 Million charged to exceptional items under "write down of inventory and other assets", which represents development costs associated with projects written off as the projects have been discontinued during the year.

Note No. 37 // Other comprehensive income

₹ in Million

Particulars		March 31, 2018	March 31, 2017
A)	**Items that will not be reclassified to profit or loss**		
	Defined benefit obligations	(1.33)	(143.96)
	Income tax on defined benefit obligations	0.46	49.83
		(0.87)	(94.13)
B)	**Items that may be reclassified to profit or loss**		
	Movement in cash flow hedge	(300.65)	200.17
	Income tax on cash flow hedge	104.05	(69.42)
		(196.60)	130.75
Total		(197.47)	36.62
From continuing operations		(188.90)	36.62
From discontinued operations		(8.57)	-

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Note No. 38 // Merger and acquisitions

38.1 Business acquisitions

During 2017-18:

The Company did not acquire any business during the current year.

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	March 31, 2017	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	-
Net assets acquired	**1.18**

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**

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Note No. 39 // Disposal of investments / business / assets held for sale accounted as discontinued operations

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 as part of the sale has provided a corporate guarantee to Mylan Inc. for USD 200 Million (valid up to December 4, 2020) on behalf of Strides Singapore which can be used for discharging specified financial obligations, if any, of Strides Singapore to Mylan, which has been included under contingent liabilities as at March 31, 2018 and March 31, 2017 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 current and earlier years, the Company received notifications of claims from Mylan under the terms of the SPAs. These included claims against the regulatory escrows, tax claims, warranty and indemnity claims, and third party claims. Under the terms of the SPAs, claims against the Company / Strides Singapore can only be made under specific provisions contained in the SPAs which include the procedures and timelines for submission of notifications of claims and actual claims and commencing arbitration proceedings.

During the previous 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 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.

As at March 31, 2018, the outstanding claims relate to certain tax claims and third party claims. Considering the terms of the SPAs, the nature of the pending claims that are in arbitration currently and the balance available in the General Claims Escrow account, the Company believes that any further outflow of resources is not probable.

39.2 Demerger of Commodity API business

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

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

The Scheme has an Appointed date of October 1, 2017.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

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

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

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

Pursuant to the Scheme, duly sanctioned by the National Company Law Tribunal, Mumbai, vide Order dated March 9, 2018, ('Order') with effect from the Appointed Date i.e. October 1, 2017, the "Commodity API business" of the Company was transferred to Solara Active Pharma Sciences Limited (Solara). In accordance with Section 230 of Companies Act, 2013, the Company filed the NCLT order with Ministry of Company Affairs (Registrar of Companies) on March 31, 2018. Consequent to the filing, the Scheme became effective from March 31, 2018.

Pursuant to the Scheme, the Company has transferred the assets and liabilities pertaining to the Commodity API business with effect from the Appointed Date to Solara. In line with the accounting prescribed in the Scheme, the net assets transferred amounting to ₹1,971.57 Million have been derecognised with a corresponding debit to the securities premium.

Details of assets and liabilities pertaining to API business are given below-

₹ in Million

Particulars	As at October 1, 2017
Non-current assets	4,498.42
Current assets	4,019.02
Total assets (A)	8,517.44
Non-current liabilities	2,242.24
Current liabilities	4,303.63
Total liabilities (B)	6,545.87
Net asset debited to securities premium (A-B)	1,971.57

The demerger of this business was accounted for as a distribution to owners in accordance with Appendix A ('Distribution of Non-cash Assets to Owners') to Ind AS 10: Events after the Reporting Period.

In accordance with the above, the Company fair valued the Commodity API business as on the appointed date and the excess of the fair value of the Commodity API business and the net assets transferred has been credited to the statement of profit and loss.

The fair valuation of the Commodity API business was carried out by independent valuers who valued it at ₹9,010.00 Million.

The excess of the fair value over the net assets amounting to ₹7,038.43 Million was recognised as a non cash gain in the statement of profit and loss as 'Gain on disposal of assets attributable to discontinued operations', in accordance with Appendix A to Ind AS 10.

"On completion of the demerger of the Commodity API business, the following entities and investments ceased to be part of the Company:

a. Solara Active Pharma Sciences Limited, India
b. Shasun USA Inc., USA
c. Chemsynth Laboratories Private Limited, India
d. Clarion Wind Farm Private Limited, India
e. Tulsyan Lec Limited, India
f. SIPCOT Industrial Common Utilities Limited, India"

Pursuant to the Scheme, eligible employees were given option to accelerate their Employees Stock options under ESOP 2015 Scheme and subsequently 8,878 equity shares have been allotted to the employees who exercised their options.

The accounting prescribed under the Scheme as approved by NCLT is in accordance with Ind AS except that the accounting standard would have required to account for this transaction on date of filing the NCLT approval with Registrar of Companies and not effective October 1, 2017. Accordingly, had this not been an NCLT approved Scheme, the API business would have continued to be part of the Company for the six months period ended March 31, 2018 with a revenue of approx. ₹3,592.4 Million and expenses of approx. ₹3,528.2 Million as determined by the Management.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

39.3. Sale of India branded generics business:

During the current year, the Company entered into a Business Transfer Agreement ('BTA') and Share Purchase Agreement ('SPA') with Eris Lifesciences Limited ('Eris' / 'acquirer') for sale of India brands division and for sale of 100% equity interest in Strides Healthcare Private Limited ('SHPL'), collectively referred to as 'India branded generics business', for an aggregate consideration of ₹4,100 Million and ₹900 Million respectively, exclusive of working capital adjustment. The disposal was completed on December 1, 2017 on which date the business was transferred to the acquirer. Details of assets and liabilities disposed off, and the calculation of the profit or loss on disposal are explained below:

(a) Consideration received

₹ in Million

Particulars	India brands division	SHPL	Total
Consideration received in cash and cash equivalents	4,033.01	900.00	4,933.01
Total consideration	**4,033.01**	**900.00**	**4,933.01**

(b) Carrying value of asset and liabilities as on the date of disposal

₹ in Million

Particulars	India brands division	SHPL	Total
Non-current assets	2,301.40	950.46	3,251.86
Current assets	317.38	-	317.38
Non-current liabilities	(4.16)	(175.11)	(179.27)
Current liabilities	(91.80)	-	(91.80)
Net assets disposed off	**2,522.82**	**775.35**	**3,298.17**

(c) Gain on disposal

₹ in Million

Particulars	India brands division	SHPL	Total
Consideration received	4,033.01	900.00	4,933.01
Net assets disposed off	(2,522.82)	(775.35)	(3,298.17)
Expenses pertaining to disposal	(236.00)	-	(236.00)
Gain on disposal before tax	**1,274.19**	**124.65**	**1,398.84**

(d) Net cash inflow on disposal

₹ in Million

Particulars	Year ended March 31, 2018
Consideration received in cash and cash equivalents	4,933.01
Net cash inflow	**4,933.01**

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

39.4. Sale of investment in Strides Biologix Private Limited and related business:

During the previous 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	March 31, 2017
Consideration received in cash and cash equivalents	30.50
Total consideration	**30.50**

(b) Carrying value of asset and liabilities as on the date of disposal

₹ in Million

Particulars	March 31, 2017
Current assets	11.24
Non-current assets	-
Current liabilities	(10.12)
Non-current liabilities	(1.40)
Net assets disposed off	**(0.28)**

(c) Gain on disposal

₹ in Million

Particulars	March 31, 2017
Consideration received	30.50
Net assets disposed off	0.28
Gain on disposal before tax	**30.78**

(d) Net cash inflow on disposal of subsidiary

₹ in Million

Particulars	Year ended March 31, 2017
Consideration received in cash and cash equivalents	30.50
Net cash inflow	**30.50**

39.5. 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:

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

(a) Consideration received

₹ in Million

Particulars	March 31, 2017
Consideration received in cash and cash equivalents	45.50
Total consideration	**45.50**

(b) Carrying value of asset and liabilities as on the date of disposal

₹ in Million

Particulars	March 31, 2017
Current assets	214.61
Non-current assets	45.27
Current liabilities	(72.37)
Non-current liabilities	-
Net assets disposed off	**187.51**

(c) Loss on disposal

₹ in Million

Particulars	March 31, 2017
Consideration received	45.50
Net assets disposed off	(187.51)
Loss on disposal before tax	**(142.01)**

(d) Net cash inflow on disposal of division

₹ in Million

Particulars	Year ended March 31, 2017
Consideration received in cash and cash equivalents	45.50
Net cash inflow	**45.50**

39.6. Strides API Research Centre ("SRC") - Held for sale:

The Board of directors of the Company approved the sale of SRC to Solara Active Pharma Sciences Limited on March 31, 2018. Subsequently, on April 20, 2018, the Company entered into Business Purchase Agreement with Solara Active Pharma Sciences Limited, India ('Solara') to sell the assets (consisting of Plant & machinery, equipment, computer software and other related capital work in progress) and business conducted by the Company at Strides API Research Centre ("SRC") along with the employees for a consideration of ₹357.28 Million and working capital subject to adjustment and finalisation for ₹8.26 Million.

The Company has classified the assets of the SRC unit as "Assets Held for Sale" as on March 31, 2018. Accordingly, the results of the SRC unit are included in the discontinued operations.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

(a) Carrying value of asset and liabilities classified as held for sale

₹ in Million

Particulars	As at March 31, 2018
Assets classified as held for sale	
Non-current assets	343.70
Current assets (includes cash and cash equivalent of ₹0.02 Million)	26.91
Total assets of disposal group held for sale	370.61
Liabilities directly associated with assets classified as held for sale	
Non-current liabilities	(8.26)
Current liabilities	(23.09)
Total liabilities of disposal group held for sale	(31.35)

39.7. Financial performance of discontinued operations referred in Note 39.2 to 39.6 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	
	March 31, 2018	March 31, 2017
Revenue	4,857.98	8,531.52
Other income	16.79	70.27
Total revenue from discontinued operations (I)	4,874.77	8,601.79
Depreciation and amortisation expense	369.64	572.51
Other items debited to statement of profit and loss	5,426.90	8,505.51
Total expenses from discontinued operations (II)	5,796.54	9,078.02
Loss from discontinued operation (III = I - II)	(921.77)	(476.23)
Gain / (loss) on disposal / demerger of:		
- Commodity API business	7,038.43	-
- India branded generics business	1,398.84	-
- Investment in Strides Biologix Private Limited and related business	-	30.78
- Pharma generics business in Africa	-	(142.01)
- Others	1.16	-
Net gain / (loss) on disposal / demerger of businesses (IV)	8,438.43	(111.23)
Gain / (loss) from discontinued operations before tax (V = III + IV)	7,516.66	(587.46)
Attributable income tax expense (VI)	165.23	(153.47)
Net gain / (loss) from discontinued operations after tax (V - VI)	7,351.43	(433.99)

Cash flows from discontinued operations

₹ in Million

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Net cash inflows/(outflows) from operating activities	(117.99)	361.00
Net cash inflows/(outflows) from investing activities*	4,269.43	(793.00)
Net cash inflows/(outflows) from financing activities	811.48	489.00
Net cash inflows/(outflows)	4,962.92	57.00

*includes cash inflow on disposal of assets and liabilities of the discontinued operations

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Note No. 40 // Details of Loans and Investments during the year

40.1 Details of Loans made by the company

Details of loans during the year

₹ in Million

Name of borrower	Nature of relationship	Security	Rate of interest	Term	As at April 1, 2017	Given during the year	Repayment during the year	As at March 31, 2018
Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private limited)	Subsidiary	Unsecured	9%	5 Years	5.65	-	5.65	-
Strides Consumer Private Limited*	Wholly owned subsidiary	Unsecured	9%	5 Years	-	110.29	-	110.29
Strides Emerging Markets Limited*	Wholly owned subsidiary	Unsecured	9.25%	2 Years	-	116.12	-	116.12
Strides Healthcare Private Limited*	Subsidiary	Unsecured	9%	5 Years	19.83	-	19.83	-
Medispan Limited#	Others	Unsecured	10%	5 years	100.00	-	100.00	-
Vivimed Labs Limited*	Others	Unsecured	10%	2 Years	250.00	-	-	250.00

Details of loans during the previous year

₹ in Million

Name of borrower	Nature of relationship	Security	Rate of interest and term	Term	As at April 1, 2016	Given during the year	Repayment during the year	As at March 31, 2017
Arrow Remedies Private Limited*	Wholly owned subsidiary	Unsecured	9%	2 Years	-	2.00	2.00	-
Fagris Medica Private Limited*	Wholly owned subsidiary	Unsecured	9%	5 Years	27.91	6.25	34.16	-
Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private limited)	Subsidiary	Unsecured	9%	5 Years	-	5.65	-	5.65
Strides Healthcare Private Limited*	Subsidiary	Unsecured	9%	5 Years	19.83	-	-	19.83
SVADS Holdings SA*	Wholly owned subsidiary	Unsecured	5.50%	On termination of services agreement	427.10	-	427.10	-
Stelis Biopharma Private Limited*	Subsidiary	Unsecured	9%	2 Years	362.53	1.43	363.96	-
Medispan Limited#	Others	Unsecured	10%	5 years	100.00	-	-	100.00
Vivimed Labs Limited*	Others	Unsecured	10%	2 Years	-	250.00	-	250.00

* The above loans are given for the purpose of business operations of the borrowers as long term strategic investment.

The loans are made to the borrower for acquisition of long term strategic investment.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

40.2 Details of non-current investments purchased and sold during the year:

₹ in Million

Particulars	Face value per unit	As at April 1, 2017	Purchase/ addition during the year	Sold/deletion during the year	Pursuant to scheme of demerger (Refer note 39.2)	As at March 31, 2018
(A) Investments in subsidiaries: (Carried at cost)						
Equity shares, unquoted						
Strides Arcolab International Limited, UK	GBP 1	2,544.46	-	-	-	2,544.46
Strides Pharma International Limited, Cyprus	USD 1	23.13	-	-	-	23.13
Strides Pharma Asia Pte Limited, Singapore	SGD 1	26.68	-	-	-	26.68
Strides Healthcare Private Limited, India (Refer note 39.3)	₹10	481.10	469.36	(950.46)	-	-
Solara Active Pharma Sciences Limited, India	₹10	0.10	-	-	(0.10)	-
Strides Consumer Private Limited, India	₹100	0.10	-	-	-	0.10
Shasun USA Inc., USA	USD 1	0.54	-	-	(0.54)	-
Strides Chemicals Private Limited, India	₹10	-	1,489.99	-		1,489.99
Chemsynth Laboratories Private Limited, India	₹10	33.63	-	-	(33.63)	-
SVADS Holdings SA, Switzerland	CHF 1	466.59	-	-	-	466.59
Arrow Remedies Private limited, India	₹10	-	0.21	-	-	0.21
Fagris Medica Private Limited, India	₹10	18.70	-	-	-	18.70
		3,595.03	**1,959.56**	**(950.46)**	**(34.27)**	**4,569.86**
Preference shares, unquoted						
Strides Pharma Asia Pte Limited, Singapore	SGD 1,000	7,559.97	802.54	-	-	8,362.51
		7,559.97	**802.54**	**-**	**-**	**8,362.51**
(B) Investments in associates: (Carried at cost)						
Equity shares, unquoted						
Stelis Biopharma Private Limited, India	₹10	1,258.55	-	-	-	1,258.55
Vivimed Life Sciences Private Limited, India	₹10	-	658.62	-	-	658.62
		1,258.55	**658.62**	**-**	**-**	**1,917.17**
(C) Investments in joint ventures: (Carried at cost)						
Equity shares, unquoted						
Shasun NBI LLC, USA Refer note 8(i)	USD 1	63.88	-	(63.88)	-	-
(During the year, Shasun NBI, LLC, USA has been wound up and accordingly the investments and the provision for diminution in value of investments has been written off in the books of accounts.)						
		63.88	**-**	**(63.88)**	**-**	**-**
(D) Other investments (Carried at fair value through profit or loss)						
Clarion Wind Farm Private Limited, India	₹10	8.29	-	(8.29)	-	-
Beta Wind Farm Private Limited, India	₹10	2.11	5.32	-	(6.35)	1.08
Tulsyan Lec Limited, India	₹10	1.35	-	-	(1.35)	-
SIPCOT Industrial Common Utilities Limited, India	₹100	0.42	-	-	(0.42)	-
		12.17	**5.32**	**(8.29)**	**(8.12)**	**1.08**
Provision for diminution in the value of investment (Refer note 8(i))		(82.58)	(179.99)	63.88	-	(198.69)
Total		**12,407.02**	**3,246.05**	**(958.75)**	**(42.39)**	**14,651.93**

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Details of non-current investments purchased and sold during the previous year:

₹ in Million

Particulars		Face value per unit	As at April 1, 2016	Purchase/ addition during the year	Sold/deletion during the year	Reclassification/ Adjustments	As at March 31, 2017
(A)	Investments in subsidiaries: (Carried at cost)						
	Equity shares, unquoted						
	Strides Arcolab International Limited, UK	GBP 1	966.12	1,578.34	-	-	2,544.46
	Strides Pharma International Limited, Cyprus	USD 1	23.13	-	-	-	23.13
	Strides Pharma Asia Pte Limited, Singapore	SGD 1	26.68	-	-	-	26.68
	Strides Healthcare Private Limited, India	₹10	481.10	-	-	-	481.10
	Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private limited)	₹10	52.30	-	(52.30)	-	-
	Solara Active Pharma Sciences Limited, India	₹10	-	0.10	-	-	0.10
	Strides Consumer Private Limited, India	₹100	-	0.10	-	-	0.10
	Shasun USA Inc., USA	USD 1	0.54	-	-	-	0.54
	Chemsynth Laboratories Private Limited, India	₹10	33.63	-	-	-	33.63
	SVADS Holdings SA, Switzerland	CHF 1	466.59	-	-	-	466.59
	Stelis Biopharma Private Limited, India *	₹10	906.55	352.00	-	(1,258.55)	-
	Fagris Medica Private Limited, India	₹10	9.20	9.50	-	-	18.70
			2,965.84	**1,940.04**	**(52.30)**	**(1,258.55)**	**3,595.03**
	Preference shares, unquoted						
	Strides Pharma Asia Pte Limited, Singapore	SGD 1,000	3,593.49	3,966.48	-	-	7,559.97
			3,593.49	**3,966.48**	**-**	**-**	**7,559.97**
(B)	Investments in associates: (Carried at cost)						
	Equity shares, unquoted						
	Stelis Biopharma Private Limited, India *	₹10	-	-	-	1,258.55	1,258.55
	Preference shares, unquoted						-
	Aponia Laboratories Inc., USA	USD 0.001	221.07	-	(221.07)	-	-
			221.07	**-**	**(221.07)**	**1,258.55**	**1,258.55**
(C)	Investments in joint ventures: (Carried at cost)						
	Equity shares, unquoted						
	Shasun NBI LLC, USA	USD 1	63.88	-	-	-	63.88
			63.88	**-**	**-**	**-**	**63.88**
(D)	Other investments (Carried at fair value through profit or loss)						
	Clarion Wind Farm Private Limited, India	₹10	8.85	-	(0.56)	-	8.29
	Beta Wind Farm Private Limited, India	₹10	3.34	-	(1.23)	-	2.11
	Tulsyan Lec Limited, India	₹10	1.35	-	-	-	1.35
	SIPCOT Industrial Common Utilities Limited, India	₹100	0.42	-	-	-	0.42
			13.96	**-**	**(1.79)**	**-**	**12.17**
	Provision for diminution in the value of investment (Refer note 8(i))		(63.88)	(18.70)	-	-	(82.58)
	Total		**6,794.36**	**5,887.82**	**(275.16)**	**-**	**12,407.02**

* Reclassified as associate

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

40.3 Details of current investments purchased and sold during the year:

₹ in Million

Particulars	As at April 1, 2017	Purchase during the year	Sold during the year	As at March 31, 2018
Investment measured at fair value through profit or loss				
Quoted investments				
Investments in mutual funds	12,795.38	-	(9,680.59)	3,114.79
Total	**12,795.38**	**-**	**(9,680.59)**	**3,114.79**

Details current investments purchased and sold during the previous year:

₹ in Million

Particulars	As at April 1, 2016	Purchase during the year	Sold during the year	As at March 31, 2017
Investment measured at fair value through profit or loss				
Quoted investments				
Investments in mutual funds	11,390.99	1,404.39	-	12,795.38
Total	**11,390.99**	**1,404.39**	**-**	**12,795.38**

40.4 Movement in corporate guarantee during the year (Refer note 45)

₹ in Million

Particulars	As at April 1, 2017	Given during the year	Withdrawn during the year	Adjustments*	As at March 31, 2018
Strides Pharma International Limited, Cyprus- Watson Pharmaceuticals, Inc., USA- (Original guarantee provided by Strides Pharma Limited which merged with Strides Pharma International Limited effective December 12, 2017) Purpose: Pursuant to the Share Sale Agreement entered by the Company with Watson Pharmaceuticals Inc., USA for the sale of its stake in Ascent Pharmahealth Ltd., Australia	13,085.08	-	-	123.64	13,208.72
Strides Pharma Asia Pte Ltd., Singapore- Mylan Inc. Purpose - Guarantee is extended on behalf of Strides Pharma Asia in relation to its financial obligations under a Share Purchase Agreement for the sale of shares of its subsidiary Agila Specialities Global Pte. Ltd., Singapore	12,972.00	-	-	62.00	13,034.00
Strides Pharma Global Pte. Limited - Banks and financial institutions Purpose: Non-current borrowings for capital investments	6,120.39	9,449.65	(5,906.87)	15.07	9,678.24
Strides Pharma Asia Pte Ltd., Singapore - Banks and financial institutions Purpose: Non-current borrowings for capital investments and working capital loans.	9,883.76	-	(9,883.76)	-	-
Arrow Pharmaceuticals Pty Limited, Australia - Banks and financial institutions Purpose: Non-current borrowings for capital investments and workings capital loans.	4,540.20	-	(4,540.20)	-	-
Stelis Biopharma Private Limited, India - Banks and financial institutions Purpose: Non-current borrowings for capital investments	3,798.42	-	-	14.57	3,812.99

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

₹ in Million

Particulars	As at April 1, 2017	Given during the year	Withdrawn during the year	Adjustments*	As at March 31, 2018
Strides Emerging Markets Limited, India - Banks and financial institutions Purpose: Working capital borrowings	150.00	-	(150.00)	-	-
Strides Pharma (Cyprus) Limited, Cyprus - Banks and financial institutions Purpose: Working capital borrowings	486.45	-	(486.45)	-	-
Strides Pharma Inc., USA- Banks and financial institutions Purpose- Workings capital borrowings	972.90	977.55	-	4.65	1,955.10
Vivimed Life Sciences Private Limited, India - Banks and financial institutions Purpose: Working capital borrowings	-	320.00	-	-	320.00
Total	52,009.20	10,747.20	(20,967.28)	219.93	42,009.05

* On account of movement in exchange rates

Movement in corporate guarantee during the previous year (Refer note 45)

₹ in Million

Particulars	As at April 1, 2016	Given during the year	Withdrawn during the year	Adjustments *	As at March 31, 2017
Strides Pharma Limited, Cyprus- Watson Pharmaceuticals, Inc., USA- Purpose: Pursuant to the Share Sale Agreement entered by the Company with Watson Pharmaceuticals Inc., USA for the sale of its stake in Ascent Pharmahealth Ltd., Australia	17,870.34	-	(4,447.45)	(337.81)	13,085.08
"Strides Pharma Asia Pte Ltd., Singapore- Mylan Inc. Purpose - Guarantee is extended on behalf of Strides Pharma Asia in relation to its financial obligations under a Share Purchase Agreement for the sale of shares of its subsidiary Agila Specialities Global Pte. Ltd., Singapore	13,252.00	-	-	(280.00)	12,972.00
Strides Pharma Global Pte. Limited - Banks and financial institutions Purpose: Non-current borrowings for capital investments	10,204.04	213.52	(3,904.64)	(392.53)	6,120.39
Strides Pharma Asia Pte Ltd., Singapore - Banks and financial institutions Purpose: Non-current borrowings for capital investments	3,644.30	6,316.46	-	(77.00)	9,883.76
Arrow Pharmaceuticals Pty Limited, Australia - Banks and financial institutions Purpose: Non-current borrowings for capital investments	4,638.20	-	-	(98.00)	4,540.20
Stelis Biopharma Private Limited, India - Banks and financial institutions Purpose: Non-current borrowings for capital investments	750.00	3,048.42	-	-	3,798.42
Strides Emerging Markets Private Limited, India - Banks and financial institutions Purpose: Working capital borrowings	150.00	-	-	-	150.00
SVADS Holdings SA, Switzerland- Banks and financial institutions Purpose: Non-current borrowings for capital investments	650.09	-	(650.09)	-	-

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

₹ in Million

Particulars	As at April 1, 2016	Given during the year	Withdrawn during the year	Adjustments *	As at March 31, 2017
Shasun Pharma Solutions Limited, UK- Banks and financial institutions Purpose: Non-current borrowings for capital investments	1,047.00	-	(1,047.00)	-	-
Strides Pharma (Cyprus) Limited, Cyprus - Banks and financial institutions Purpose: Working capital borrowings	-	486.45	-	-	486.45
Strides Pharma Inc., USA- Banks and financial institutions Purpose- Workings capital borrowings	-	972.90	-	-	972.90
Total	52,205.97	11,037.75	(10,049.18)	(1,185.34)	52,009.20

* On account of movement in exchange rates

40.5 Disclosure as per Regulation 34 (3) and 53 (f) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of loans and advances, the amount in the nature of loans outstanding at year end:

₹ in Million

Borrower	Outstanding		Maximum amount outstanding during the year ended	
	As at March 31, 2018	As at March 31, 2017	March 31, 2018	March 31, 2017
Arrow Remedies Private Limited	-	-	-	2.40
Strides Consumer Private Limited	110.29	-	110.29	-
Strides Emerging Markets Limited	116.12	-	116.12	-
Strides Healthcare Private Limited	-	19.83	19.95	19.83
Medispan Limited	-	100.00	100.00	100.00
Vivimed Labs Limited	250.00	250.00	250.00	250.00
Fagris Medica Private Limited	-	-	-	34.16
Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private limited)	-	5.65	5.65	5.65
SVADS Holdings SA	-	-	-	427.10
Stelis Biopharma Private Limited	-	-	-	362.50
Total	476.41	375.48	602.01	1,201.64

Note No. 41 // Commitments

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	260.71	829.55
Total	260.71	829.55

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Note No. 42 // Contingent liabilities (to the extent not provided for)

₹ in Million

Particulars		March 31, 2018	March 31, 2017
a)	**Corporate guarantees**		
	The Company has given corporate guarantees to financial institutions and other parties, including on behalf of its subsidiaries in the ordinary course of business (also refer note 39.1)	42,009.05	52,009.20
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.	1,429.13	1,368.18
	- 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.	672.62	577.86

Other than the matters disclosed above, the Company is also involved in other disputes including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view that the resolution of these disputes will not have any material adverse effect on the Company's financial position or results of operations.

Note No. 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. No options were granted under this plan during the current year.

Pursuant to the Scheme of demerger (refer note 39.2), eligible employees were given option to accelerate their Employees Stock options under ESOP 2015 Scheme, subsequently 8,878 equity shares have been allotted on April 6, 2018 for the employees who exercised their options. The Company recognised expenses of ₹2.39 Million during the year ended March 31, 2018 on account of acceleration.

As at March 31, 2016, additional 6,813 options were reserved for issue to the eligible 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 , 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 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 200,000 options under this scheme during the current year.

(d) During the current year, Employee compensation costs of ₹24.52 Million (for the year ended March 31, 2017: ₹54.71 Million) (including costs debited to discontinued operations) relating to the above referred various Employee Stock Option Plans have been charged to the Statement of Profit and Loss.

Fair value of share options granted during the year

The fair value of the share options granted under ESOP 2016 Lot II and ESOP 2016 Lot III are ₹435.06 and ₹374.59 respectively. Options were priced using a Black- Scholes method of valuation at grant date. Expected volatility is based on the historical share price volatility over the past 3 years.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Inputs into the model -

Particulars	ESOP 2016 Lot II	ESOP 2016 Lot III
No of Options	100,000	100,000
Grant date share price	₹1,037.51	₹896.72
Exercise price	₹792.45	₹656.10
Expected volatility	42.86%	38.96%
Option life	3 years	3 years
Expected Dividend %	40.00%	40.00%
Risk-free interest rate	6.73%	6.52%

Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2017-18		During the year 2016-17	
	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	170,000	543.62	265,000	499.77
- ESOP 2015	23,097	273.92	-	-
- ESOP 2016	100,000	841.25	-	-
Granted during the year:				
- ESOP 2011	-	-	-	-
- ESOP 2015	-	-	37,438	273.92
- ESOP 2016	200,000	724.28	100,000	841.25
Exercised during the year:				
- ESOP 2011	50,000	322.30	70,000	456.67
- ESOP 2015	7,029	273.92	7,028	273.92
- ESOP 2016	20,000	841.25	-	-
Lapsed/ cancelled during the year:				
- ESOP 2011	80,000	792.60	25,000	322.30
- ESOP 2015	5,376	273.92	7,313	273.92
- ESOP 2016	-	-	-	-
Options outstanding at the end of the year:*				
- ESOP 2011	40,000	322.30	170,000	543.62
- ESOP 2015	10,692	273.92	23,097	273.92
- ESOP 2016	280,000	757.70	100,000	841.25
Options available for grant:				
- ESOP 2011	-	-	-	-
- ESOP 2015	-	-	-	-
- ESOP 2016	2,700,000	-	2,900,000	-

* Includes options vested but not exercised as at March 31, 2018. ESOP 2011 - 40,000 and ESOP 2015 - 8,878

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

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 ₹159.99 Million (previous year: ₹177.14 Million) (including costs debited to discontinued operations) for provident fund contributions, ₹9.20 Million (previous year: ₹7.99 Million) (including costs debited to discontinued operations) for employee state insurance scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plan

The Company offers gratuity benefits, a defined employee benefit scheme to its employees.

Composition of the plan assets

The fund is managed by LIC , the fund manager. The details of composition of plan assets managed by the fund manager is not available with the Company. However, the said funds are subject to Market risk (such as interest risk, investment risk, etc.).

The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	March 31, 2018	March 31, 2017
Discount rate(s)	6.90% -7.55%	6.75% -7.05%
Expected rate(s) of salary increase	9% - 10%	9% - 10%
Mortality Rate	As per IALM (2006-08) ultimate	
Retirement age (years)	58 years	58 years

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

₹ in Million

	March 31, 2018	March 31, 2017
Service cost:		
Current service cost	46.93	39.71
Past service cost and (gain)/loss from settlements	24.94	-
Net interest expense	8.45	9.42
Components of defined benefit costs recognised in statement of profit and loss	80.32	49.13
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	3.86	(3.25)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(3.32)
Actuarial (gains) / losses arising from changes in financial assumptions	(5.30)	24.98
Actuarial (gains) / losses arising from experience adjustments	2.77	125.55
Components of defined benefit costs recognised in other comprehensive income	1.33	143.96
Total	81.65	193.09

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

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:

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Present value of funded defined benefit obligation	292.08	540.38
Fair value of plan assets	(150.62)	(314.54)
Funded status	141.46	225.84
Disclosed in liabilities directly attributable to the assets held for sale	(8.25)	-
Net liability arising from defined benefit obligation	133.21	225.84

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

₹ in Million

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Opening defined benefit obligation	540.38	360.51
Add / (less) on account of acquisitions / business transfers	(3.94)	(11.44)
(Less): pursuant to the scheme of demerger (Refer note 39.2)	(291.94)	-
Expenses recognised in statement of profit and loss		
Current service cost	46.93	39.71
Past service cost	24.94	-
Interest cost	25.52	28.16
Remeasurements (gains) / losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	(3.32)
Actuarial gains and losses arising from changes in financial assumptions	(5.30)	24.98
Actuarial gains and losses arising from experience adjustments	2.77	125.55
Benefits paid	(47.28)	(23.77)
Closing defined benefit obligation	292.08	540.38

Movements in the fair value of the plan assets are as follows:

₹ in Million

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Opening fair value of plan assets	314.54	240.01
Pursuant to scheme of demerger (Refer note 39.2)	(170.40)	-
Interest income	-	18.73
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	17.07	3.25
Contributions from the employer	40.55	76.30
Actuarial gain/(loss) on plan assets	(3.86)	-
Benefits paid	(47.28)	(23.75)
Closing fair value of plan assets	150.62	314.54

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

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 / (decreases) by 1%, the defined benefit obligation would be ₹278.74 Million (₹306.81 Million) as at March 31, 2018.

If the expected salary growth increases / (decreases) by 1%, the defined benefit obligation would be ₹304.60 Million (₹280.27 Million) as at March 31, 2018.

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
2018-19	51.28
2019-20	39.64
2020-21	36.45
2021-22	36.68
2022-23	33.99
2023-24 to 2028-29	114.79

Note No. 45 // Related party transactions : List of related parties

Relationship	Name
Wholly owned subsidiaries	**Direct Holding**
	Arrow Remedies Private Limited (with effect from October 30, 2017)
	Fagris Medica Private Limited
	Shasun USA Inc, USA (upto September 30, 2017)
	Solara Active Pharma Sciences Limited (formerly, SSL Pharma Sciences Limited, upto September 30, 2017)
	Strides Arcolab International Limited, UK
	Strides Chemicals Private Limited (formerly, Perrigo API India Private limited, with effect from April 6, 2017)
	Strides Consumer Private Limited, India
	Strides Healthcare Private Limited (with effect from November 23, 2017, up to December 1, 2017)
	Strides Pharma Asia Pte Limited, Singapore
	Strides Pharma International Limited, Cyprus
	SVADS Holdings SA, Switzerland
	Step down subsidiaries
	Altima Innovations Inc, USA
	Arrow Life Sciences (Malaysia) Sdn. Bhd.Malaysia (with effect from May 11, 2017)
	Arrow Pharma (Private) Limited, Sri Lanka

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Relationship	Name
	Arrow Pharma Life Inc., Philippines
	Arrow Pharma Pte Limited, Singapore
	Arrow Pharma Pty Limited, Australia (upto February 28, 2018)
	Arrow Pharmaceuticals Pty Limited, Australia (upto February 28, 2018)
	Arrow Remedies Private Limited, India (upto October 29, 2017)
	Pharmacy Alliance Investments Pty Limited, Australia (upto February 28, 2018)
	Shasun Pharma Solutions Inc, USA
	Stabilis Pharma Inc, USA
	Stelis Biopharma (Malaysia) Sdn Bhd, Malaysia
	Strides Africa Limited, BVI (liquidated effective March 7, 2018)
	Strides Arcolab (Australia) Pty Limited, Australia (upto February 28, 2018)
	Strides CIS Limited, Cyprus
	Strides Emerging Markets Limited, India (formerly, Strides Emerging Markets Private Limited)
	Strides Pharma (Cyprus) Limited, Cyprus
	Strides Pharma (SA) Pty Limited, South Africa
	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 (upto December 11, 2017. With effect from December 12, 2017 the company is merged with Strides Pharma International Limited, Cyprus)
	Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited)
	Strides Specialties (Holdings) Limited, Mauritius
	Strides LifeSciences Limited, Nigeria (with effect from April 10, 2017)
Other Subsidiaries:	**Direct Holding:**
	Chemsynth Laboratories Private Limited, India (49%) (up to September 30, 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%) (upto November 22, 2017)
	Step down subsidiaries
	Alliance Pharmacy Pty Limited, Australia (51%)
	Apollo Life Sciences Holdings Proprietary Limited (with effect from January 1, 2018)
	Amneal Pharma Australia Pty Ltd., Australia (with effect from August 31, 2017)
	Amneal Pharmaceuticals Pty Ltd., Australia (with effect from August 31, 2017)
	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 Pharma Pty Limited, Australia (with effect from March 1, 2018)
	Arrow Pharmaceuticals Pty Limited, Australia (with effect from March 1, 2018)
	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 Investments Pty Limited, Australia
	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)
	Strides Shasun Latina Sa De Cv, Mexico (80%)
	Strides Arcolab (Australia) Pty Limited, Australia (with effect from March 1, 2018)

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Relationship	Name
	Strides Pharma Canada Inc, Canada (with effect from May 11, 2017)
	Trinity Pharma Proprietary Limited, South Africa (with effect from January 1, 2018)
	Strides Vivimed Pte Limited, Singapore (formerly, Vivimed global generics Pte Limited) (with effect from May 18, 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 (upto September 30, 2017)
Joint Ventures (JV)	Akorn Strides LLC, USA (50%) (liquidated effective August 4, 2017)
	Shasun NBI LLC, USA (50%) (liquidated effective October 25, 2017)
	SPC Co. Limited, Sudan (51%) (upto March 31, 2017)
	Strides Shasun Latina Sa De Cv, Mexico (80%) (with effect from August 23, 2016)
	MyPak Solutions Australia Pty Ltd, Australia (formerly, MyPak Solutions Pty Ltd with effect from March 29, 2018)
	Oraderm Pharmaceuticals Pty Limited, Australia (50%) (with effect from June 6, 2016)
Associates	Aponia Laboratories Inc, USA
	Generic Partners (R&D) Pte Limited, Singapore (with effect from August 1, 2017)
	Regional Bio Equivalence Centre S.C., Ethiopia (with effect from May 1, 2016)
	Vivimed Life Sciences Private Limited (with effect from May 18, 2017)
	Stelis Biopharma Private Limited (with effect from March 31, 2017)
Key Management Personnel (KMP):	Arun Kumar, Chairman (with effect from May 18, 2017)
	Abhaya Kumar, Executive Director (Resigned on May 18, 2017)
	Shashank Sinha, Managing Director (with effect from May 18, 2017)
	Badree Komandur, Executive Director (with effect from May 18, 2017)
	Manjula Ramamurthy, Company Secretary (with effect from February 3, 2017)
	Deepak Vaidya, Chairman (Upto May 18, 2017), Non-Executive Director
	M.R.Umarji, Non-Executive Director (Resigned on May 18, 2017)
	A.K.Nair, Non-Executive Director (Resigned on May 18, 2017)
	P.M.Thampi, Non-Executive Director (Resigned on May 18, 2017)
	S.Sridhar, Non-Executive Director
	Sangita Reddy, Non-Executive Director
	Bharat Shah, Non-Executive Director
	Homi R Khusrokhan, Non-Executive Director (date of appointment May 18, 2017)
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 (up to May 18, 2017)
	Nutra Specialities Private Limited, India (up to May 18, 2017)
	Tenshi Kaizen Private Limited (formerly, Higher Pharmatech Private Limited)
	Tenshi Life Sciences Private Limited (formerly, 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)
	Solara Active Pharma Sciences Limited (formerly SSL Pharma Sciences Limited, with effect from October 1, 2017)
	Shasun Leasing and Finance Limited, India (up to May 18, 2017)

Related party closing balances

₹ in Million

Particulars		Wholly Owned Subsidiaries		Other Subsidiaries		Joint Venture		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Balance of trade payables (net of advance paid) :											
1	Arrow Pharmaceuticals Pty Limited	0.02	(0.02)	-	-	-	-	-	-	-	-
2	Atma Projects	-	-	-	-	-	-	-	-	(10.25)	-
3	Arrow Remedies Private Limited	-	(0.53)	-	-	-	-	-	-	-	-
4	Beltapharm S.p.A	-	-	(3.50)	(2.24)	-	-	-	-	-	-
5	Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	(1.29)	(0.61)
6	Devendra Estates LLP, India	-	-	-	-	-	-	-	-	-	-
7	Fagris Medica Private Limited	(1.03)	-	-	-	-	-	-	-	-	-
8	Nutra Specialities Private Limited	-	-	-	-	-	-	-	-	-	(0.60)
9	SeQuent Scientific Limited	-	-	-	-	-	-	-	-	-	(84.51)
10	Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Ltd)	-	-	-	-	-	-	-	-	-	(6.85)
11	Shasun USA Inc.	-	(62.52)	-	-	-	-	-	-	-	-
12	Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private limited)	-	-	-	-	-	-	-	-	-	(0.46)
13	Strides Chemicals Private Limited	(23.61)	-	-	-	-	-	-	-	-	-
14	Strides CIS Limited	(24.02)	-	-	-	-	-	-	-	-	-
15	Strides Emerging Markets Limited (formerly Strides Emerging Markets Private Limited)	(9.74)	(28.72)	-	-	-	-	-	-	-	-
16	Strides Healthcare Private Limited	-	-	-	(15.45)	-	-	-	-	-	-
17	Strides Pharma (Cyprus) Limited	(2.32)	(2.03)	-	-	-	-	-	-	-	-
18	Strides Pharma Inc.	(13.55)	(70.89)	-	-	-	-	-	-	-	-
19	Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	(267.49)	-
19	SeQuent Research Limited	-	-	-	-	-	-	-	-	(4.32)	(3.09)
20	Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	(2.32)	-
21	Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited)	-	(4.13)	-	-	-	-	-	-	-	-
Balance of trade receivables (net of advance received):											
1	Arrow Pharmaceuticals Pty Limited	-	66.72	41.58	-	-	-	-	-	-	-
2	Arrow Pharma Pte Limited	3.99	3.89	-	-	-	-	-	-	-	-

Related party closing balances (Contd.)

₹ in Million

Particulars		Wholly Owned Subsidiaries		Other Subsidiaries		Joint Venture		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
3	Arrow Remedies Private Limited	0.14	0.07	-	-	-	-	-	-	-	-
4	Beltapharm S.p.A	-	-	0.02	-	-	-	-	-	-	-
5	Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	-	0.16
6	Fagris Medica Private Limited	1.10	-	-	-	-	-	-	-	-	-
7	Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited)	76.14	45.17	-	-	-	-	-	-	-	-
8	Nutra Specialities Private Limited	-	-	-	-	-	-	-	-	-	-
9	SeQuent Scientific Limited	-	-	-	-	-	-	-	-	7.43	1.52
10	Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	0.03	-
11	Sterling Pharma Solutions Ltd, UK (formerly, Shasun Pharma Solutions Ltd)	-	-	-	-	-	-	-	-	-	64.25
12	Shasun USA Inc.	-	23.36	-	-	-	-	-	-	-	-
13	Strides CIS Limited	54.73	76.66	-	-	-	-	-	-	-	-
14	Strides Emerging Markets Limited (formerly Strides Emerging Markets Private Limited)	47.64	51.13	-	-	-	-	-	-	-	-
15	Strides Healthcare Private Limited	-	-	-	2.48	-	-	-	-	-	-
16	Strides Vital Nigeria Limited	-	-	-	-	-	-	-	-	-	-
17	Strides Pharma Global Pte Limited	1,434.91	836.70	-	-	-	-	-	-	-	-
18	Stelis Biopharma Private Limited*	-	-	-	-	20.93	12.45	-	-	-	-
19	Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private limited)	-	-	-	-	-	-	-	-	-	1.71
20	Strides Chemicals Private Limited	97.37	-	-	-	-	-	-	-	-	-
21	Strides Consumer Private Limited	3.60	-	-	-	-	-	-	-	-	-
22	Strides Pharma Inc.	1.72	56.29	-	-	-	-	-	-	-	-
23	SVADS Holdings SA	79.39	56.76	-	-	-	-	-	-	-	-
24	Universal Corporation Limited	-	-	0.26	20.33	-	-	-	-	-	-
25	Vivimed Life Sciences Private Limited	-	-	-	-	0.78	-	-	-	-	-
26	Strides Pharma (Cyprus) Limited	44.23	208.78	-	-	-	-	-	-	-	-

Related party closing balances (Contd.)

₹ in Million

Particulars	Wholly Owned Subsidiaries		Other Subsidiaries		Joint Venture		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Loans receivable:										
1 Fagris Medica Private Limited	-	-	-	-	-	-	-	-	-	-
2 Strides Healthcare Private Limited	-	-	-	19.83	-	-	-	-	-	-
3 Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private limited)	-	-	-	-	-	-	-	-	-	5.65
4 Strides Consumer Private Limited	110.29	-	-	-	-	-	-	-	-	-
5 Strides Emerging Markets Limited (formerly Strides Emerging Markets Private Limited)	116.12	-	-	-	-	-	-	-	-	-
6 SVADS Holdings SA	-	-	-	-	-	-	-	-	-	-
Dividend receivable:										
1 Strides Pharma International Limited, Cyprus	293.96	-	-	-	-	-	-	-	-	-
Balance of deposits paid										
1 Atma Projects	-	-	-	-	-	-	-	-	50.13	50.13
2 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	7.35	7.35
Other financial assets / (liabilities) and other assets / (liabilities)										
1 Arrow Remedies Private Limited (formerly Lex Pharma Private Limited)	0.54	1.18	-	-	-	-	-	-	-	-
2 Arrow Pharma (Private) Limited, Sri Lanka	0.08	-	-	-	-	-	-	-	-	-
3 Arrow Pharmaceuticals Pty Limited	-	46.08	45.73	-	-	-	-	-	-	-
4 Beltapharm S.p.A	-	-	-	(0.14)	-	-	-	-	-	-
5 Chemsynth Laboratories Private Limited	-	-	-	23.04	-	-	-	-	-	-
6 Fagris Medica Private Limited	10.88	0.02	-	-	-	-	-	-	-	-
7 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	(250.00)	-
8 Stelis Biopharma Private Limited*	-	-	-	-	2.40	27.85	-	-	-	-
9 Strides CIS Limited	-	(22.80)	-	-	-	-	-	-	-	-
10 Strides Chemicals Private Limited	0.19	-	-	-	-	-	-	-	-	-
11 Strides Consumer Private Limited	56.13	-	-	-	-	-	-	-	-	-

Related party closing balances (Contd.)

₹ in Million

Particulars		Wholly Owned Subsidiaries		Other Subsidiaries		Joint Venture		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
12	Strides Emerging Markets Limited (formerly Strides Emerging Markets Private Limited)	345.73	224.27	-	-	-	-	-	-	-	-
13	Strides Pharma Limited	-	(28.53)	-	-	-	-	-	-	-	-
14	Strides Pharma Asia Pte Limited	-	-	-	-	-	-	-	-	-	-
15	Strides Pharma (Cyprus) Limited	17.26	11.17	-	-	-	-	-	-	-	-
16	Strides Pharma Global Pte Limited	766.13	15.86	-	-	-	-	-	-	-	-
17	Strides Pharma Inc.	-	44.71	-	-	-	-	-	-	-	-
18	Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private limited)	-	-	-	-	-	-	-	-	2.45	3.42
19	Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited)	30.23	-	-	-	-	-	-	-	-	-
20	Universal Corporation Limited	-	-	2.49	-	-	-	-	-	-	-
21	SVADS Holdings SA	-	57.51	-	-	-	-	-	-	-	-
22	Tenshi Kaizen Private Limited (formerly, Higher Pharmatech Private Limited)	-	-	-	-	-	-	-	-	(0.07)	-
23	Vivimed Life Sciences Private Limited	-	-	-	-	15.11	-	-	-	-	-
24	Mr. Badree Komandur	-	-	-	-	-	-	-	0.05	-	-
25	Mr. Shashank Sinha	-	-	-	-	-	-	1.67	-	-	-

Guarantees given on behalf of (refer note 40.4)

* Refer Note 8(i) note (ii)

Related party transactions

₹ in Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
Sales of materials/services										
1 Arrow Pharmaceuticals Pty Limited	112.50	258.51	5.10	-	-	-	-	-	-	-
2 Beltapharm S.p.A.	-	-	0.02	0.34	-	-	-	-	-	-
3 Nutra Specialities Private Limited	-	-	-	-	-	-	-	-	-	8.57
4 Strides Pharma (UK) Limited, UK (formerly, Strides Shasun (UK) Limited)	334.95	348.86	-	-	-	-	-	-	-	-
5 SeQuent Scientific Limited	-	-	-	-	-	-	-	-	-	1.45
6 Strides Emerging Markets Limited (formerly Strides Emerging Markets Private Limited)	3.49	18.33	-	-	-	-	-	-	-	-
7 Strides Pharma (Cyprus) Limited	339.58	832.65	-	-	-	-	-	-	-	-
8 Strides Pharma Global Pte Limited	3,611.34	3,178.98	-	-	-	-	-	-	-	-
9 Strides Pharma Inc.	8.35	58.01	-	-	-	-	-	-	-	-
10 SVADS Holding SA	79.39	63.36	-	-	-	-	-	-	-	-
11 Strides Chemicals Private Limited	26.41	-	-	-	-	-	-	-	-	-
12 Strides CIS Limited	86.94	81.41	-	-	-	-	-	-	-	-
13 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	0.06	-
14 Universal Coporation Limited	-	-	1.15	16.39	-	-	-	-	-	-
15 Vivimed Life Sciences Private Limited	-	-	-	-	1.04	-	-	-	-	-
Royalty income										
1 Strides Pharma Global Pte Limited	96.62	435.62	-	-	-	-	-	-	-	-
Sale of intellectual property rights/ dossiers										
1 Strides Pharma Global Pte Limited	1,291.43	147.70	-	-	-	-	-	-	-	-
2 Strides Chemicals Private Limited	42.79	-	-	-	-	-	-	-	-	-
Sale of property, plant and equipment										
1 Strides Chemicals Private Limited	15.76	-	-	-	-	-	-	-	-	-
2 Strides Emerging Markets Limited (formerly Strides Emerging Markets Private Limited)	2.21	-	-	-	-	-	-	-	-	-
3 Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private limited)	-	-	-	-	-	-	-	-	6.40	-

Related party transactions (Contd.)

₹ in Million

Nature of Transactions		Wholly Owned Subsidiaries		Other Subsidiaries		Associates		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
Sale of business											
1	Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private limited)	-	-	-	30.50	-	-	-	-	-	-
Interest income											
1	Arrow Remedies Private Limited	0.03	0.05	-	0.07	-	-	-	-	-	-
2	Fagris Medica Private Limited	-	0.30	-	2.08	-	-	-	-	-	-
3	Solara Active Pharma Sciences Limited	3.71	-	-	-	-	-	-	-	-	-
4	Stelis Biopharma Private Limited*	-	-	-	24.00	-	-	-	-	-	-
5	Strides Healthcare Private Limited	-	-	1.16	1.78	-	-	-	-	-	-
6	Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private limited)	-	-	-	0.42	-	-	-	-	0.13	-
7	Strides Consumer Private Limited	3.95	-	-	-	-	-	-	-	-	-
8	Strides Emerging Markets Limited (formerly Strides Emerging Markets Private Limited)	0.34	-	-	-	-	-	-	-	-	-
9	SVADS Holding SA	-	6.41	-	-	-	-	-	-	-	-
Guarantee commission income											
1	Arrow Pharmaceuticals Pty Limited	33.62	42.94	2.49	-	-	-	-	-	-	-
2	Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	-	-	-	-	-	-	-	-	4.42
3	Stelis Biopharma (Malaysia) SDN BHD	-	-	-	-	-	-	-	-	-	-
4	Stelis Biopharma Private Limited*	-	-	-	20.47	36.48	-	-	-	-	-
5	Strides Emerging Markets Limited (formerly Strides Emerging Markets Private Limited)	0.91	0.93	-	-	-	-	-	-	-	-
6	Strides Pharma Asia Pte Limited	199.16	219.92	-	-	-	-	-	-	-	-
7	Strides Pharma (Cyprus) Limited	4.43	0.49	-	-	-	-	-	-	-	-
8	Strides Pharma Global Pte Limited	79.98	66.00	-	-	-	-	-	-	-	-
9	Strides Pharma International Limited	39.82	-	-	-	-	-	-	-	-	-
10	Strides Pharma Limited	92.14	133.64	-	-	-	-	-	-	-	-
11	Strides Pharma Inc.	13.10	2.40	-	-	-	-	-	-	-	-
11	SVADS Holdings SA	-	8.24	-	-	-	-	-	-	-	-
12	Vivimed Life Sciences Private Limited	-		-	-	0.11	-	-	-	-	-

Related party transactions (Contd.)

₹ in Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
Support service income										
1 Arrow Pharma Pte Limited	-	0.97	-	3.02	-	-	-	-	-	-
2 Arrow Pharmaceuticals Pty Limited	16.57	29.07	5.71	-	-	-	-	-	-	-
3 Fagris Medica Private Limited	0.23	0.08	-	0.83	-	-	-	-	-	-
4 Stelis Biopharma Private Limited*	-	-	-	9.60	9.75	-	-	-	-	-
5 Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private limited)	-	-	-	0.90	-	-	-	-	0.05	-
6 Strides Consumer Private Limited	1.19	-	-	-	-	-	-	-	-	-
7 Strides Emerging Markets Limited (formerly Strides Emerging Markets Private Limited)	9.60	9.60	-	-	-	-	-	-	-	-
8 Strides Healthcare Private Limited	-	-	0.60	0.90	-	-	-	-	-	-
9 Strides Pharma Global Pte Limited	10.80	8.58	-	-	-	-	-	-	-	-
Rental income from operating leases										
1 Arrow Remedies Private Limited	0.06	0.06	-	-	-	-	-	-	-	-
2 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	-	0.97
3 Fagris Medica Private Limited	0.06	0.01	-	0.06	-	-	-	-	-	-
4 SeQuent Scientific Limited	-	-	-	-	-	-	-	-	-	0.51
5 Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private limited)	-	-	-	0.11	-	-	-	-	0.74	-
6 Strides Consumer Private Limited	1.46	-	-	-	-	-	-	-	-	-
7 Strides Emerging Markets Limited (formerly Strides Emerging Markets Private Limited)	0.15	0.17	-	-	-	-	-	-	-	-
8 Strides Healthcare Private Limited	-	-	0.17	0.25	-	-	-	-	-	-
9 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	0.03	-
Other income										
1 SeQuent Scientific Limited	-	-	-	-	-	-	-	-	-	2.12
Dividend income										
1 Strides Pharma International Limited	496.09	-	-	-	-	-	-	-	-	-
Purchase of materials/services										
1 Beltapharm S.p.A.	-	-	3.72	2.79	-	-	-	-	-	-
2 Fagris Medica Private Limited	-	-	-	3.59	-	-	-	-	-	-
3 Nutra Specialities Private Limited	-	-	-	-	-	-	-	-	-	8.40
4 SeQuent Research Limited	-	-	-	-	-	-	-	-	18.36	14.00
5 SeQuent Scientific Limited	-	-	-	-	-	-	-	-	169.05	826.77

Related party transactions (Contd.)

₹ in Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
6 Strides Chemicals Private Limited	92.39	-	-	-	-	-	-	-	-	-
7 Strides Emerging Markets Limited (formerly Strides Emerging Markets Private Limited)	43.35	293.04	-	-	-	-	-	-	-	-
8 Strides Vital Nigeria Limited	-	-	-	0.03	-	-	-	-	-	-
9 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	590.67	-
10 Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	-	5.29	-
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
Support service expenses										
1 Fagris Medica Private Limited	0.30	-	-	-	-	-	-	-	-	-
2 Strides Pharma Inc.	19.52	-	-	-	-	-	-	-	-	-
Royalty expenses										
1 Tenshi Life Sciences Private Limited (formerly, Strides Biologix Private limited)	-	-	-	4.73	-	-	-	-	-	-
2 Strides Healthcare Private Limited	-	-	6.22	13.64	-	-	-	-	-	-
Purchase of assets										
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	-	-	-	-	-	-	14.03	40.00	-	-
2 Mr. Badree Komandur	-	-	-	-	-	-	33.33	28.23	-	-
3 Ms. Manjula Ramamurthy	-	-	-	-	-	-	3.18	0.48	-	-
4 Mr. Shashank Sinha	-	-	-	-	-	-	60.39	28.85	-	-
5 Mr. S Abhaya Kumar	-	-	-	-	-	-	11.96	33.73	-	-
6 Mr. Aditya Arun Kumar	-	-	-	-	-	-	0.27	1.71	-	-
Sitting fees paid										
1 Mr. Arun Kumar	-	-	-	-	-	-	0.70	-	-	-
2 Mr. Deepak Vaidya	-	-	-	-	-	-	0.60	0.65	-	-
3 Mr. M.R. Umarji	-	-	-	-	-	-	0.10	0.65	-	-
4 Mr. A.K.Nair	-	-	-	-	-	-	-	0.40	-	-
5 Mr. P.M.Thampi	-	-	-	-	-	-	0.10	0.50	-	-

Related party transactions (Contd.)

₹ in Million

	Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
		Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
6	Mr. S.Sridhar	-	-	-	-	-	-	0.90	0.65	-	-
7	Mr. Homi Rustam Khusrokhan	-	-	-	-	-	-	0.70	-	-	-
8	Mrs. Sangita Reddy	-	-	-	-	-	-	0.30	0.20	-	-
9	Mr. Bharat Shah	-	-	-	-	-	-	0.70	0.60	-	-
	Reimbursement of expenses incurred by										
1	Arrow Pharmaceuticals Pty Limited	0.33	-	-	-	-	-	-	-	-	-
2	Beltapharm S.p.A.	-	-	-	-	-	-	-	-	-	-
3	Strides CIS Limited	2.72	0.54	-	-	-	-	-	-	-	-
4	Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	-	-	-	-	-	-	-	-	-
5	Shasun USA Inc	43.02	-	-	-	-	-	-	-	-	-
6	Fagris Medica Private Limited	0.83	-	-	-	-	-	-	-	-	-
7	Strides Pharma Global Pte Limited	0.26	-	-	-	-	-	-	-	-	-
8	Strides Pharma (UK) Limited UK (formerly, Strides Shasun (UK) Limited)	-	4.19	-	-	-	-	-	-	-	-
9	Strides Pharma (Cyprus) Limited	1.43	-	-	-	-	-	-	-	-	-
10	Universal Corporation Limited	-	-	0.03	-	-	-	-	-	-	-
11	Strides Pharma Inc.	24.60	102.79	-	-	-	-	-	-	-	-
	Reimbursement of expenses incurred on behalf of										
1	Arrow Pharmaceuticals Pty Limited	12.24	25.22	2.02	-	-	-	-	-	-	-
2	Arrow Pharma (Private) Limited, Sri Lanka	0.08	-	-	-	-	-	-	-	-	-
3	Arrow Remedies Private Limited	0.31	0.05	-	0.94	-	-	-	-	-	-
4	Fagris Medica Private Limited	3.78	0.03	-	0.71	-	-	-	-	-	-
5	Chemsynth Laboratories Private Limited	-	-	-	-	-	-	-	-	-	-
6	SeQuent Scientific Limited	-	-	-	-	-	-	-	-	-	-
7	Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	-	-	-	-	-	-	-	5.29	-
8	Shasun USA Inc	-	3.57	-	-	-	-	-	-	-	-
9	Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	124.03	-
10	Stelis Biopharma Private Limited*	-	-	-	39.93	63.59	-	-	-	-	-
11	Tenshi Life Sciences Private Limited (formerly Strides Biologix Private Limited)	-	-	-	1.57	-	-	-	-	-	-
12	Strides Chemicals Private Limited	10.81	-	-	-	-	-	-	-	-	-

Related party transactions (Contd.)

₹ in Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
13 Strides Consumer Private Limited	53.42	-	-	-	-	-	-	-	-	-
14 Strides CIS Limited	-	0.53	-	-	-	-	-	-	-	-
15 Strides Emerging Markets Limited (formerly Strides Emerging Markets Private Limited)	17.51	25.76	-	-	-	-	-	-	-	-
16 Strides Healthcare Private Limited	-	-	-	1.52	-	-	-	-	-	-
17 Strides Pharma Global Pte Limited	76.72	71.32	-	-	-	-	-	-	-	-
18 Strides Pharma (Cyprus) Limited	2.40	2.91	-	-	-	-	-	-	-	-
19 Strides Pharma Inc.	9.05	74.83	-	-	-	-	-	-	-	-
20 Strides Pharma (UK) Limited (formerly, Strides Shasun (UK) Limited)	30.23	-	-	-	-	-	-	-	-	-
21 Strides Vital Nigeria Limited	-	-	-	1.53	-	-	-	-	-	-
22 Universal Corporation Limited	-	-	3.14	4.85	-	-	-	-	-	-
23 SVADS Holdings SA	-	6.74	-	-	-	-	-	-	-	-
Rent expense										
1 Atma Projects	-	-	-	-	-	-	-	-	62.08	54.20
2 Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	7.77	6.79
3 Devendra Estates LLP, India	-	-	-	-	-	-	-	-	3.10	2.78
Sales commission										
1 Shasun USA Inc	30.10	38.68	-	-	-	-	-	-	-	-
Write off of advances										
1 Strides Africa Limited	-	3.61	-	-	-	-	-	-	-	-
Loans / advances given / repaid by Company										
1 Arrow Remedies Private Limited	-	-	-	2.40	-	-	-	-	-	-
2 Fagris Medica Private Limited	5.70	-	-	6.25	-	-	-	-	-	-
3 Stelis Biopharma Private Limited*	-	-	-	1.43	78.00	-	-	-	-	-
4 Strides Biologix Private Limited	-	-	-	3.70	-	-	-	-	-	-
5 Strides Emerging Markets Limited (formerly Strides Emerging Markets Private Limited)	193.43	-	-	-	-	-	-	-	-	-
6 SVADS Holding SA	-	86.02	-	-	-	-	-	-	-	-
7 Solara Active Pharma Sciences Limited	364.76	-	-	-	-	-	-	-	262.50	-
8 Strides Chemicals Private Limited	250.70	-	-	-	-	-	-	-	-	-
9 Strides Consumer Private Limited	110.29	-	-	-	-	-	-	-	-	-
10 Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	-	-	-	-	-	-	-	-	-

Related party transactions (Contd.)

₹ in Million

Nature of Transactions	Wholly Owned Subsidiaries		Other Subsidiaries		Associates		KMP / Relatives of KMP		Enterprises owned or significantly influenced by KMP or their relatives	
	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
11 Strides Healthcare Private Limited,	-	-	0.12	-	-	-	-	-	-	-
12 Vivimed Life Sciences Private Limited	-	-	-	-	115.12	-	-	-	-	-
13 Chemsynth Laboratories Private Limited	-	-	0.10	0.15	-	-	-	-	-	-
Loans / advances taken by Company / repaid to Company										
1 Arrow Remedies Private Limited	-	1.31	-	0.40	-	-	-	-	-	-
2 Fagris Medica Private Limited	1.97	-	-	1.50	-	-	-	-	-	-
3 Sterling Pharma Solutions Limited, UK (formerly, Shasun Pharma Solutions Limited)	-	-	-	-	-	-	-	-	-	-
4 Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	500.00	-
5 Stelis Biopharma Private Limited*	-	-	-	518.33	76.40	-	-	-	-	-
6 Strides Chemicals Private Limited	250.00	-	-	-	-	-	-	-	-	-
7 SVADS Holding SA	-	219.41	-	-	-	-	-	-	-	-
8 Vivimed Life Sciences Private Limited	-	-	-	-	100.00	-	-	-	-	-
9 Strides Healthcare Private Limited	-	-	19.95	-	-	-	-	-	-	-
Investments during the year										
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	2,083.69	-	-	-	-	-	-	-	-	-
5 Strides Consumer Private Limited, India	-	0.10	-	-	-	-	-	-	-	-
6 Solara Active Pharma Sciences Limited	-	0.10	-	-	-	-	-	-	-	-
7 Vivimed Life Sciences Private Limited	-	-	-	-	658.62	-	-	-	-	-
Investments purchased from										
1 Arrow Pharma Pte Limited	0.21	-	-	-	-	-	-	-	-	-
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 Strides Arcolab International Limited	1,923.43	-	-	-	-	-	-	-	-	-
Refund of Share application money										
1 Strides Pharma Asia Pte Limited	0.05	-	-	-	-	-	-	-	-	-
Donation Paid										
1 Shasun Foundation Trust	-	-	-	-	-	-	-	-	-	-
2 Strides Foundation Trust	-	-	-	-	-	-	-	-	13.99	17.30

* Refer Note 8(i) note(d)

Note (i): The compensation excludes gratuity & compensated absences which cannot be separately identified from the composite amount advised by the actuary.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Note No. 46 // 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 ₹152.81 Million (March 31, 2017: ₹154.59 Million)

Non-cancellable operating lease commitments

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Not later than 1 year	20.10	39.82
Later than 1 year and not later than 5 years	-	20.90
Later than 5 years	-	-
Total	20.10	60.72

Leasing arrangement

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

Finance lease liabilities

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Future minimum lease payments:		
Not later than 1 year	22.20	22.20
Later than 1 year but not later than 5 years	22.20	44.40
Later than 5 years	-	-
Total	44.40	66.60
Less: Unmatured finance charges	(4.76)	(9.98)
Present value of minimum lease payments payable	39.64	56.62
Up to 1 year	18.81	16.98
From 1 year to 5 years	20.83	39.64
Above 5 years	-	-

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

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	March 31, 2018	March 31, 2017
Gross carrying amount of assets leased	776.40	776.40
Accumulated depreciation	116.42	77.67
Future minimum lease income:		
Not later than 1 year	59.45	56.08
Later than 1 year but not later than 5 years	141.04	200.49
Later than 5 years		
Total	200.49	256.57

Note No. 47 // Earnings per share

₹

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Basic earnings per share:		
From continuing operations	17.48	17.00
From discontinued operations	82.16	(4.86)
Total basic earnings per share	99.64	12.14
Diluted earnings per share:		
From continuing operations	17.48	16.97
From discontinued operations	82.13	(4.85)
Total diluted earnings per share	99.61	12.12

Earnings used in computing basic and diluted earnings per share

₹ in Million

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Profit attributable to the equity holders of the Company		
From continuing operations	1,564.48	1,519.36
From discontinued operations	7,351.43	(433.99)
Total operations	8,915.91	1,085.37

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Weighted average number of shares used as the denominator

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Weighted average number of equity shares used as denominator in calculating basic earnings per share	89,479,936	89,368,039
Adjustments for calculation of diluted earnings per share:		
- employee stock options	31,334	179,220
Weighted average number of equity shares used as denominator in calculating diluted earnings per share	89,511,270	89,547,259

Note No. 48 // Financial instruments

48.1 Categories of financial instruments

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Financial assets:		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Equity investments	1.08	12.17
(ii) Investment in mutual funds	3,114.79	12,795.38
(b) Derivative financial assets	-	44.42
Measured at amortised cost		
(a) Cash and bank balances	797.89	949.19
(b) Loans	637.28	634.51
(c) Trade receivables	4,493.65	5,406.85
(d) Share application money pending allotment	3,989.32	784.80
(e) Receivables from related parties	934.51	137.90
(f) Dividend receivable from subsidiaries	293.96	-
(g) Other financial assets at amortised cost	52.69	77.76
Measured at FVTOCI		
(a) Fair value of derivatives designated in a cash flow hedge	46.77	340.48
Financial liabilities:		
Measured at fair value through profit or loss (FVTPL)		
(a) Put option liability	-	175.11
(b) Derivative financial liabilities	-	16.76
Measured at FVTOCI		
(a) Derivative financial liabilities	6.95	-
Measured at amortised cost		
(a) Borrowings	6,040.36	14,168.95
(b) Current maturities of non current borrowings	21.20	1,911.33
(c) Security deposit	25.79	37.87
(d) Trade payables	3,907.24	4,705.64
(e) Unclaimed dividends	66.89	67.09
(b) Payables on purchase of non-current investments	90.00	-
(b) Payable to subsidiaries	-	51.47
(b) Other Financial Liabilities	25.15	444.42

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

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 March 31, 2018	Fair value as at March 31, 2017	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets:				
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	46.77	340.48	Level 2	The fair value of forward foreign contracts are determined using spot and 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.
Equity investments (unquoted)	1.08	12.17	Level 3	The fair value of the equity instruments are determined using comparable quotes available during period.
Investment in Mutual fund (quoted)	3,114.79	12,795.38	Level 1	Fair value is determined based on the net asset value published by respective funds.
Financial liabilities:				
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.
Foreign currency forward contracts designated in hedge accounting relationships (FVTOCI)	6.95	-	Level 2	The fair value of forward foreign contracts are determined using forward exchange rates at the balance sheet date.
Put option liability	-	175.11	Level 3	The said obligation under put options are valued using Black Scholes model. Significant unobservable inputs used for the said valuation are volatility and risk free interest rate (Discount rate). Refer below table for the sensitivity analysis of unobservable inputs.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Sensitivity of unobservable inputs used in Level 3 fair value measurements

1) Put option liability

Change in volatility of the stock price:

5% change in the volatility of the stock price doesn't significantly affect option liability.

Change in discount rate:

If the discount rate increases / (decreases) by 1%, the Put option liability would be

₹ Nil (₹ Nil) as at March 31, 2018 and

₹171.11 Million (₹179.24 Million) as at March 31, 2017;

2) Equity investments unquoted

No disclosure has been given since the amount is not material.

Reconciliation of Level 3 fair value measurements

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Opening balance	(162.94)	(135.71)
Pursuant to scheme of demerger (refer note 39.2)	(11.09)	-
Disposal / settlements	175.11	(1.79)
Gains or (losses):		
- in Statement of profit and loss	-	(25.44)
Closing balance	1.08	(162.94)

The above 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	March 31, 2018		March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans	226.41	226.41	350.85	350.85
Security deposit	148.53	150.25	197.20	202.28
Financial liabilities				
Borrowings	6,061.56	6,061.56	16,080.28	16,237.53

48.3 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivatives financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes maybe undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

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.

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. forecast sales transactions

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

Contracts designated in a cash flow hedge

Outstanding contracts	Underlying Exposure	Average exchange rate (in ₹)	Foreign currency (USD in Million)	Nominal amounts (₹ in Million)	Fair value assets (liabilities) (₹ in Million)
As at March 31, 2018					
Sell USD					
Less than 3 months	Forecast sales	66.59	34.00	2,264.08	2,297.05
3 to 6 months		66.79	26.00	1,736.66	1,750.04
6 to 12 months		66.88	35.00	2,340.92	2,334.39
Total			**95.00**	**6,341.66**	**6,381.48**
As at March 31, 2017					
Sell USD					
Less than 3 months	Forecast sales	70.37	21.00	1,477.73	1,581.18
3 to 6 months		70.13	34.00	2,384.54	2,516.52
6 to 12 months		70.74	28.00	1,980.72	2,085.77
Total			**83.00**	**5,842.99**	**6,183.47**

Contracts not designated in a cash flow hedge

Amount in Million

Amount receivable/(payable)	As at March 31, 2018		As at March 31, 2017	
Exposure to the Currency	in foreign Currency (USD)	in ₹	in foreign Currency (USD)	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))".

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

The details of unhedged foreign currency exposure are as follows:

Amount in Million

Amount receivable/(payable)	As at March 31, 2018		As at March 31, 2017	
Exposure to the Currency	in foreign Currency	in ₹	in foreign Currency	in ₹
USD	(13.36)	(872.07)	(122.02)	(7,916.26)
AUD	6.25	312.03	0.02	0.70
EUR	(0.97)	(78.30)	3.14	216.86
CAD	1.29	64.94	0.78	37.93
GBP	1.40	128.08	3.32	270.31
SGD	(0.01)	(0.41)	0.00	0.02
JPY	(3.42)	(2.09)	5.92	3.45
CHF	1.15	78.26	0.00	0.23

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 ₹ is given below:

₹ in Million

Amount receivable/(payable)	Increase / (decrease) in equity		Increase / (decrease) in profit	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Appreciation in the USD	(28.51)	(258.83)	(43.60)	(395.81)
Depreciation in the USD	28.51	258.83	43.60	395.81
Appreciation in the EUR	(2.56)	7.09	(3.92)	10.84
Depreciation in the EUR	2.56	(7.09)	3.92	(10.84)
Appreciation in the AUD	10.20	0.02	15.60	0.03
Depreciation in the AUD	(10.20)	(0.02)	(15.60)	(0.03)
Appreciation in the GBP	4.19	8.84	6.40	13.52
Depreciation in the GBP	(4.19)	(8.84)	(6.40)	(13.52)

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, 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 ₹60.22 Million (March 31, 2017: ₹161.78 Million) assuming the loans at each year

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

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.

Not Designated in a cash flow hedge

a) Borrowing in USD floating rate swapped 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)
As at March 31, 2018			
Less than 1 year	-	-	-
1 to 2 years	-	-	-
2 to 5 years	-	-	-
5 years +	-	-	-
Total		-	-
As at March 31, 2017			
Less than 1 year	-	-	-
1 to 2 years	-	-	-
2 to 5 years	-	-	-
5 years +	2.15%	3,048.89	(3,065.65)
Total		3,048.89	(3,065.65)

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.

The Company cancelled the interest rate swap contract during the year ended March 31, 2018 as the underlying borrowing has been preclosed during the year.

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.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company has an internal mechanism of determining the credit rating of the customers and setting credit limits. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The credit risk arising from receivables is subject to currency risk in that the receivables are predominantly denominated in USD, AUD and GBP and any appreciation in the Rupee will affect the credit risk. Further, the Company is not significantly exposed to geographical distribution risk as the counterparties operate across various countries across the Globe.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks.

Also refer note 15.

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 includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

₹ in Million

Financial liabilities	Due within (years)						Total	Carrying amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank and other borrowings								
- As on March 31, 2018	6,037.11	22.94	1.51	-	-	-	6,061.56	6,061.56
- 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
Interest payable on borrowings								
- As on March 31, 2018	-	-	-	-	-	-	-	-
- As on March 31, 2017	46.47	-	-	-	-	-	46.47	46.47
Trade and other payable not in borrowings								
- As on March 31, 2018	4,089.29	-	-	-	-	33.73	4,123.02	4,115.07
- As on March 31, 2017	5,222.15	-	-	-	-	48.28	5,270.43	5,260.02

48.6.2 Liquidity analysis for derivative financial instruments

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. Outflows are represented in brackets in table below:

₹ in Million

Particulars	Total	less than 3 months	3 to 6 months	6 months to 1 year	1-5 years	5+ years
March 31, 2018						
Net settled:						
- interest rate swaps	-	-	-	-	-	-
- foreign exchange forward contracts	39.82	32.97	13.38	(6.53)	-	-
Gross settled:						
- Derivatives over equity of subsidiaries	-	-	-	-	-	-
Total	**39.82**	**32.97**	**13.38**	**(6.53)**	**-**	**-**
March 31, 2017						
Net settled:						
- interest rate swaps	(16.76)	-	-	-	-	(16.76)
- foreign exchange forward contracts	340.48	103.45	131.98	105.05	-	-
Gross settled:						
- Derivatives over equity of subsidiaries	(175.11)	-	-	-	(175.11)	-
Total	**148.61**	**103.45**	**131.98**	**105.05**	**(175.11)**	**(16.76)**

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, 2018 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 is as follows.

₹ in Million

Particulars	March 31, 2018	March 31, 2017
Debt*	6,061.56	16,080.28
Less:		
Investment in mutual funds	3,114.79	12,795.38
Cash and bank balances	797.89	949.19
Net Debt (A)	**2,148.88**	**2,335.71**
Total Equity (B)	**31,620.16**	**32,325.27**
Net debt to equity ratio (A/B)	0.07	0.07

* Debt is defined as long-term borrowings, current maturities of long-term borrowings and short-term borrowings.

Notes

Forming part of the standalone financial statements for the year ended March 31, 2018

Note No. 50 // Segment Information

In accordance with Ind AS 108 - Operating segments, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

Note No. 51 // Other Matters

(a) In respect of freehold land to the extent of 5.44 acres (as at March 31, 2018 gross block and net block amounting to ₹201.42 Million) capitalised in the books of the Company, the title deeds are under dispute. The Company based on its internal assessment believes that it has title deed in its name and it will be able to defend any counter claims on such parcel of land under dispute.

(b) The title deeds of freehold land and building admeasuring 20.43 acres (as at March 31, 2018 gross block ₹630.69 Million and net block of ₹468.96 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, 2018 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, 2018 gross block of ₹3.55 Million and net block ₹1.28 Million) capitalised in the books of the Company, the title deeds are not in the name of the Company. The Company is in the process of transferring the title deeds of such building in its name.

Note No. 52 // Transfer Pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income Tax Act, 1961. Since the law required existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international as well as domestic transactions entered into with the associated enterprise during the financial year and expects such records to be in existence as required by law. The Management is of the opinion that its international as well as domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

Note No. 53 // Events after reporting period

(a) On May 18, 2018, the Board of Directors of the Company has proposed a final dividend of ₹2 per equity share. The proposed dividend is subject to the approval of the shareholders in the annual general meeting.

(b) On May 18, 2018, the Board of Directors of the Company has proposed change of name of the Company from Strides Shasun Limited to Strides Pharma Science Limited. The proposed change is subject to the approval of the shareholders.

Note No. 54

During the year ended March 31, 2018, no material foreseeable loss (March 31, 2017: Nil) was incurred for any long-term contract including derivative contracts.

Note No. 55

The previous year's figures have been re-grouped/ reclassified, where necessary to conform to current year's classification.

Note No. 56

Previous year audit was carried out by a firm other than B S R & Co. LLP.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
Bengaluru, May 18, 2018

for and on behalf of Board of Directors of Strides Shasun Limited

Shashank Sinha
Managing Director
DIN: 02544431

Badree Komandur
Executive Director- Finance
DIN: 07803242

Manjula R.
Company Secretary
Membership Number: A30515

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
13 Aug 2009 to 03 Dec 2009	Allotment under ESOP	165,600	40,215,614	10	1,656,000	402,156,140

Equity History of the Company

Date	Particulars	Number of Shares Issued	Cumulative Number of Shares Issued	Face Value per share (₹)	Equity Share Capital issued (₹)	Equity Share Capital (Cumulative) (₹)
19-Jan-10	Allotment to erstwhile shareholders of Grandix Pharmaceuticals Limited consequent to its amalgamation with the Company.	12,822	40,228,436	10	128,220	402,284,360
19-Jan-10	Allotment to erstwhile shareholders of Grandix Laboratories Limited consequent to its amalgamation with the Company.	702	40,229,138	10	7,020	402,291,380
24-Feb-10	Preferential Issue on conversion of warrants	2,560,000	42,789,138	10	25,600,000	427,891,380
15-Mar-10	Preferential Issue on conversion of warrants	420,000	43,209,138	10	4,200,000	432,091,380
22 April 10 to 24 Aug 10	Allotment under ESOP	492,000	43,701,138	10	4,920,000	437,011,380
26-Aug-10	Preferential Issue on conversion of warrants	3,220,000	46,921,138	10	32,200,000	469,211,380
01-Oct-10	Allotment under QIP 2010	10,742,533	57,663,671	10	107,425,330	576,636,710
4 Oct 10 to 16 Nov 10	Allotment under ESOP	81,000	57,744,671	10	810,000	577,446,710
24 Feb 11 to 15 Oct 11	Allotment under ESOP	635,500	58,380,171	10	6,355,000	583,801,710
4 Feb 12 to 19 Oct 12	Allotment under ESOP	423,550	58,803,721	10	4,235,500	588,037,210
12 Feb 13 to 18 Dec 13	Allotment under ESOP	761,900	59,565,621	10	7,619,000	595,656,210
24 Feb 15 to 22 May 15	Allotment under ESOP	60,000	59,625,621	10	600,000	596,256,210
20-Nov-15	Upon Amalgamation of Shasun Pharmaceuticals with Strides (5 shares of Strides for 16 shares of Shasun)	21,017,329	80,642,950	10	210,173,290	806,429,500
23-Dec-15	Allotment under QIP 2015	8,628,028	89,270,978	10	86,280,280	892,709,780
07-Mar-16	Allotment under ESOP	75,000	89,345,978	10	750,000	893,459,780
05-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
10-Jun-17	Allotment under ESOP	50,000	89,473,006	10	500,000	894,730,060
20-Jul-17	Allotment under ESOP	20,000	89,493,006	10	200,000	894,930,060
31-Oct-17	Allotment under ESOP	5,654	89,498,660	10	56,540	894,986,600
09-Feb-18	Allotment under ESOP	1,375	89,500,035	10	13,750	895,000,350
06-Apr-18	Allotment under ESOP	48,878	89,548,913	10	488,780	895,489,130

Corporate Information

REGISTERED OFFICE
201, Devavrata,
Sector 17, Vashi,
Navi Mumbai - 400 703.
Tel.: +91 22 2789 3199
Fax No. +91 22 2789 2942
Email: info@strides.com
Website: www.strides.com
CIN: L24230MH1990PLC057062

CORPORATE OFFICE
'Strides House', Bilekahalli
Bannerghatta Road,
Bengaluru - 560 076.
Tel.: +91 80 6784 0738/ 000
Fax No.: +91 80 6784 0700/ 800

R & D CENTRE
165/2, Bilekahalli Village,
Begur, Hobli, Bangalore South Taluk, JP Nagar 7th Phase, Bannerghatta Road,
Bangalore – 560 076

STATUTORY AUDITORS
BSR & Co. LLP
Maruti Info - Tech Centre
11-12/1 Inner Ring Road,
Koramangala,
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
Deutsche Bank
HDFC Bank Limited

GLOBAL OFFICE

Singapore
Strides Pharma Global Pte Ltd
3 Tuas South Avenue 4,
Singapore – 637610

USA
Strides Pharma Inc
2 Tower Center Blvd., Suite: 1102
East Brunswick, NJ 08816

Australia
Arrow Pharmaceuticals Pty Ltd
Level 18, 530 Collins Street,
Melbourne, Vic 3000

United Kingdom
Strides Pharma UK Ltd
Unit 4, Metro Centre, Tolpits Lane,
Watford, Hertfordshire, WD18 9SS, UK

Italy
Beltapharm SpA
20095 Cusano MIL, Via Stelvio, 66,
Italy

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

South Africa
Trinity Pharma Proprietary Limited
106 16th Road, Midrand,
Johannesburg, 1686

Strides

Strides Pharma Science Limited

(Formerly Strides Shasun Limited)

CIN: L24230MH1990PLC057062

REGISTERED OFFICE
201, Devavrata,
Sector 17, Vashi,
Navi Mumbai - 400 703.
Tel.: +91 22 2789 3199
Fax No. +91 22 2789 2942
Email: info@strides.com
Website: www.strides.com
CIN: L24230MH1990PLC057062

CORPORATE OFFICE
'Strides House', Bilekahalli
Bannerghatta Road,
Bengaluru - 560 076.
Tel.: +91 80 6784 0738/ 000
Fax No.: +91 80 6784 0700/ 800

concept, content and design at **AICL** (hello@aicl.in)