INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Sun Pharmaceutical Industries Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its associates and its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated 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 Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements/ financial information of the subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associates and its joint ventures as at 31st March, 2017, and their consolidated profit, consolidated total comprehensive income, consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 64 to the consolidated Ind AS financial statements. As referred to in the said Note: Remuneration to the Managing Director and the Whole-time Director(s) of the Parent for the years ended 31st March, 2015, 31st March, 2016 and 31st March, 2017 are higher by ₹ 49.6 Million, ₹ 29.6 Million and ₹ 44.7 Million respectively than the amounts approved by the Central Government of India (Ministry of Corporate Affairs) on applications made by the Parent to approve the maximum remuneration as approved by the members of the Parent for the three years ended 31st March, 2017, in excess of the limits specified under Schedule V to the Act, in case of inadequacy of profits. The Management of the Parent have re-represented to the office of the Ministry of Corporate Affairs for approval of remuneration within the overall limits approved by the members of the Parent for the years ended 31st March, 2015 and 31st March, 2016, and for the year ended 31st March, 2017, applications for revision in the remuneration, as approved by the members of the Parent, has been made to the Ministry of Corporate Affairs. The responses in respect of the foregoing re-representation / applications for revision are awaited from the Ministry of Corporate Affairs.

Our opinion is not modified in respect of this matter.

Other Matters

(a) We did not audit the financial statements / financial information of 79 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 561,913.2 Million as at 31st March, 2017, total revenues of ₹ 242,491.8 Million and net cash inflows amounting to ₹ 6,209.1 Million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 99.3 Million for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements, in respect of 5 associates and 2 joint ventures, whose financial statements / financial information have not been audited by us. The above figures are before giving effect to consolidation adjustments.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us and our opinion on the consolidated Ind AS 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-section (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 the reports of the other auditors.

(b) We did not audit the financial statements / financial information of 31 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 248,997.4 Million as at 31st March, 2017, total revenues of ₹ 12,831.5 Million and net cash outflows amounting to ₹ 231.1 Million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The above figures are before giving effect to consolidation adjustments. The consolidated Ind AS financial statements also include the Group's share of profit after tax of ₹ Nil for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements, in respect of 3 associates and 2 joint ventures, whose financial statements / financial information have not been audited.

These financial statements / financial information are unaudited and have been furnished to us by the Management of the Parent and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management of the Parent, these financial statements / financial information are not material to the Group.

INDEPENDENT AUDITOR'S REPORT

(c) The comparative financial information for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 in respect of 71 subsidiaries, 4 associates and 2 joint ventures included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

(d) The transition date opening balance sheet of the Parent as at 1st April, 2015 include the financial information of erstwhile Ranbaxy Laboratories Limited, consequent to its amalgamation into the Parent which was effected on 24th March, 2015, with the appointed date of 1st April, 2014 [refer Note 66 to the consolidated Ind AS financial statements]. The said financial information included in these consolidated Ind AS financial statements are based on financial information previously prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by the other auditors, and have been restated to comply with Ind AS. Adjustments made to the financial information previously prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management of the Parent.

Report on Other Legal and Regulatory Requirements

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

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

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

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the 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 Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and an associate company, incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies and an associate company, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Parent, subsidiary companies and an associate company, incorporated in India.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

INDEPENDENT AUDITOR'S REPORT

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures – Refer Note 40A to the consolidated Ind AS financial statements.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Notes 23 and 29 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group. The associates and jointly ventures did not have any long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and an associate company, incorporated in India, except a sum of ₹ 13.4 Million, which is held in abeyance by the Parent due to pending legal cases.

iv. The Parent has provided requisite disclosures in Note 71 to the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 in respect of the Parent, subsidiaries and an associate, incorporated in India. Based on the audit procedures performed, the representations provided to us by the Management of the Parent and based on the consideration of reports of the other auditors, referred to in the Other Matters paragraph above, we report that the disclosures are in accordance with the relevant books of accounts maintained by the Parent, subsidiaries and an associate, incorporated in India, for the purpose of preparation of the consolidated Ind AS financial statements.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

RAJESH K. HIRANANDANI
Partner
(Membership No. 36920)

Place: Mumbai
Date: 26th May, 2017

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Sun Pharmaceutical Industries Limited)

Report on Internal Financial Controls Over Financial Reporting Under Clause (I) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of SUN PHARMACEUTICAL INDUSTRIES LIMITED (hereinafter referred to as "the Parent") and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and the Standards on Auditing, 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Sun Pharmaceutical Industries Limited)

Report on Internal Financial Controls Over Financial Reporting Under Clause (I) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 14 subsidiary companies (excluding a subsidiary company under liquidation) and an associate company, which are companies incorporated in India, is based solely on the reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

RAJESH K. HIRANANDANI
Partner
(Membership No. 36920)

Place: Mumbai
Date: 26th May, 2017

SUN PHARMA

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2017

₹ in Million

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3a	84,952.9	75,831.4	70,000.7
(b) Capital work-in-progress		15,647.6	12,034.6	15,317.7
(c) Goodwill (Net)	48	55,362.2	56,347.4	54,845.9
(d) Other intangible assets	3b	36,436.6	26,543.7	6,461.3
(e) Intangible assets under development		12,366.2	9,719.9	5,068.4
(f) Investments in associates	4	4,605.4	3,008.8	2,175.7
(g) Investments in joint ventures	5	429.5	655.0	418.0
(h) Financial assets				
(i) Investments	6	4,575.1	7,496.9	10,772.1
(ii) Loans	7	698.1	1,073.2	1,830.1
(iii) Other financial assets	8	6,452.2	9,809.9	1,583.4
(i) Deferred tax assets (Net)	51	24,928.2	31,489.9	27,172.1
(j) Income tax assets (Net)	9	31,250.1	15,726.2	11,238.8
(k) Other non-current assets	10	6,861.8	6,152.8	5,934.2
Total non-current assets		**284,565.9**	**255,889.7**	**212,818.4**
(2) Current Assets				
(a) Inventories	11	68,328.1	64,225.4	56,668.9
(b) Financial assets				
(i) Investments	12	2,308.8	7,138.1	21,662.2
(ii) Trade receivables	13	72,026.1	67,756.6	50,927.5
(iii) Cash and cash equivalents	14	86,628.0	80,751.4	72,645.9
(iv) Bank balances other than (iii) above	15	64,780.4	51,065.1	37,124.8
(v) Loans	16	10,190.8	10,715.5	10,481.6
(vi) Other financial assets	17	2,258.5	890.8	26,751.9
(c) Other current assets	18	22,949.9	16,798.2	12,519.4
		329,470.6	299,341.1	288,782.2
Assets classified as held for sale	73	65.9	71.9	-
Total current assets		**329,536.5**	**299,413.0**	**288,782.2**
TOTAL ASSETS		**614,102.4**	**555,302.7**	**501,600.6**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	19	2,399.3	2,406.6	2,071.2
(b) Share suspense account	66	-	-	334.8
(c) Other equity	20	363,997.4	327,418.2	278,008.5
Equity attributable to the owners of the Company		**366,396.7**	**329,824.8**	**280,414.5**

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2017

₹ in Million

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non-controlling interests		**37,908.6**	**40,852.5**	**28,511.9**
Total equity		**404,305.3**	**370,677.3**	**308,926.4**
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	14,360.8	31,103.0	13,597.7
(ii) Trade payables		-	-	10.2
(iii) Other financial liabilities	22	1,048.0	1,842.2	1,816.7
(b) Provisions	23	12,111.1	18,958.6	23,074.5
(c) Deferred tax liabilities (Net)	51	3,147.9	1,027.7	751.4
(d) Other non-current liabilities	24	259.1	254.3	129.8
Total non-current liabilities		**30,926.9**	**53,185.8**	**39,380.3**
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	25	66,549.2	52,061.2	62,126.7
(ii) Trade payables	26	43,953.9	35,829.2	32,430.3
(iii) Other financial liabilities	27	22,116.3	6,873.3	24,137.4
(b) Other current liabilities	28	4,620.5	4,469.4	4,237.8
(c) Provisions	29	40,159.1	29,734.4	24,447.0
(d) Current tax liabilities (Net)	30	1,471.2	2,472.1	5,914.7
Total current liabilities		**178,870.2**	**131,439.6**	**153,293.9**
Total liabilities		**209,797.1**	**184,625.4**	**192,674.2**
TOTAL EQUITY AND LIABILITIES		**614,102.4**	**555,302.7**	**501,600.6**

See accompanying notes 1 to 80 to the consolidated financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

RAJESH K. HIRANANDANI
Partner
Mumbai, May 26, 2017

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

UDAY V. BALDOTA
Chief Financial Officer

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director
Mumbai, May 26, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
(I) Revenue from operations	31	315,784.4	284,870.3
(II) Other income	32	6,231.5	6,582.5
(III) Total income (I + II)		**322,015.9**	**291,452.8**
(IV) Expenses			
Cost of materials consumed	33	51,246.1	41,816.3
Purchases of stock-in-trade		32,777.6	25,425.2
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(2,716.3)	(3,937.7)
Employee benefits expense	35	49,023.0	47,723.1
Finance costs	36	3,998.0	5,232.4
Depreciation and amortisation expense	3	12,647.5	10,375.3
Other expenses	37	84,561.3	92,260.2
Total expenses (IV)		**231,537.2**	**218,894.8**
(V) Profit before exceptional items and tax (III-IV)		**90,478.7**	72,558.0
(VI) Exceptional items	62	-	(6,851.7)
(VII) Profit before tax (V+VI)		**90,478.7**	**65,706.3**
(VIII) Tax expense			
Current tax		4,046.4	11,954.1
Deferred tax charge/(credit)		8,069.3	(2,816.4)
Total tax expense (VIII)		**12,115.7**	**9,137.7**
(IX) Profit for the year before share of profit/(loss) of associates and joint ventures (VII-VIII)		78,363.0	56,568.6
(X) Share of profit/(loss) of associates		299.6	(18.7)
(XI) Share of profit/(loss) of joint ventures		(200.3)	33.2
(XII) Profit for the year before non-controlling interests (IX+X+XI)		**78,462.3**	**56,583.1**
(XIII) Non-controlling interests		8,818.6	11,126.0
(XIV) Profit for the year attributable to owners of the Company		**69,643.7**	**45,457.1**
(XV) Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		(766.9)	(389.7)
Income tax effect relating to remeasurement of the defined benefit plans		(56.6)	(42.2)
		(710.3)	**(347.5)**
(b) Equity instruments through other comprehensive income		(3,741.4)	(2,802.4)
Total (A)		**(4,451.7)**	**(3,149.9)**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
(B) Items that may be reclassified to profit or loss			
(a) Debt instruments through other comprehensive income		(4.7)	1.3
(b) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		46.2	-
(c) Exchange differences in translating the financial statements of a foreign operations		(10,461.7)	17,502.0
Total (B)		**(10,420.2)**	**17,503.3**
(XV) Total other comprehensive income (A+B)		(14,871.9)	14,353.4
(XVI) Total comprehensive income for the year (XII+XV)		**63,590.4**	**70,936.5**
Other Comprehensive Income for the year attributable to:			
- Owners of the Company		(13,337.6)	12,794.5
- Non-controlling interests		(1,534.3)	1,558.9
Total Comprehensive income for the year attributable to:			
- Owners of the Company		56,306.1	58,251.6
- Non-controlling interests		7,284.3	12,684.9
Earnings per equity share (face value per equity share - ₹ 1)	52		
Basic (in ₹)		29.0	18.9
Diluted (in ₹)		29.0	18.9

See accompanying notes 1 to 80 to the consolidated financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

RAJESH K. HIRANANDANI
Partner
Mumbai, May 26, 2017

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

UDAY V. BALDOTA
Chief Financial Officer

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director
Mumbai, May 26, 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	Equity share capital	Share suspense account [Refer Note (66)]	Reserve and surplus: Share application money pending allotment	Capital reserve	Securities premium reserve	Debenture redemption reserve	Share option outstanding account	Revaluation Surplus	Amalgamation reserve	Capital redemption reserve	Legal reserve	General reserve	Retained earnings
Balance as at April 1, 2015	2,071.2	334.8	149.0	268.0	18,220.3	750.0	82.1	39.8	43.8	-	0.9	34,828.0	216,743.1
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	45,457.1
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	*(347.5)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	**45,109.6**
Payment of dividends	-	-	-	-	-	-	-	-	-	-	-	-	(7,219.5)
Corporate dividend tax	-	-	-	-	-	-	-	-	-	-	-	-	(1,469.7)
Recognition of share-based payments to employees	-	-	-	-	-	-	98.8	-	-	-	-	-	-
Issue of equity shares	0.6	-	(142.3)	-	232.9	-	-	-	-	-	-	-	-
Issue of equity shares pursuant to the scheme of amalgamation (Refer note 66)	334.8	(334.8)	-	-	-	-	-	-	-	-	-	-	-
Transfer on exercise of share options	-	-	-	-	132.0	-	(132.0)	-	-	-	-	-	-
Transfer from debenture redemption reserve on repayment of debentures	-	-	-	-	-	(750.0)	-	-	-	-	-	750.0	-
Transferred from Surplus in Consolidated Statement of Profit and Loss	-	-	-	-	-	1,041.7	-	-	-	-	-	-	(1,041.7)
Utilised during the year	-	-	-	-	-	-	-	(39.8)	-	-	-	-	-
Buy-back of equity shares by subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	(302.3)
Transferred to Capital Reserve from Consolidated Statement of Profit and Loss as per the Local Law of an overseas subsidiary	-	-	-	188.9	-	-	-	-	-	-	-	-	(188.9)
Transferred from Surplus in Consolidated Statement of Profit and Loss as per the Local Law of an overseas subsidiary	-	-	-	-	-	-	-	-	-	-	0.2	-	(0.2)
Balance as at March 31, 2016	**2,406.6**	-	**6.7**	**456.9**	**18,585.2**	**1,041.7**	**48.9**	-	**43.8**	-	**1.1**	**35,578.0**	**251,630.4**
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	69,643.7
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	*(710.3)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	**68,933.4**
Payment of dividends	-	-	-	-	-	-	-	-	-	-	-	-	(2,406.8)
Corporate dividend tax	-	-	-	-	-	-	-	-	-	-	-	-	(490.0)
Recognition of share-based payments to employees	-	-	-	-	-	-	32.3	-	-	-	-	-	-
Issue of equity shares	0.2	-	(6.7)	-	31.3	-	-	-	-	-	-	-	-
Buy-back of equity shares (Refer note 65)	(7.5)	-	-	-	(6,742.5)	-	-	-	-	-	-	-	-
Expenditure on buy-back of equity shares	-	-	-	-	(34.2)	-	-	-	-	-	-	-	-
Buy-back of equity shares by overseas subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	(10,110.3)
Transfer to capital redemption reserve on buy-back of equity shares	-	-	-	-	-	-	-	-	-	7.5	-	-	(7.5)
Transferred from Surplus in Consolidated Statement of Profit and Loss	-	-	-	-	-	1,041.7	-	-	-	-	-	-	(1,041.7)
Additional non-controlling interest arising on the acquisition of JSC Biosintez (Refer note 78)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred from Surplus in Consolidated Statement of Profit and Loss as per the Local Law of an overseas subsidiary	-	-	-	50.6	-	-	-	-	-	-	-	-	(50.6)
Transfer on exercise of share options	-	-	-	-	54.8	-	(54.8)	-	-	-	-	-	-
Balance as at March 31, 2017	**2,399.3**	-	**#0.0**	**507.5**	**11,894.6**	**2,083.4**	**26.4**	-	**43.8**	**7.5**	**1.1**	**35,578.0**	**306,456.9**

*Represents remeasurements of the defined plans

(March 31, 2017: ₹ 7177)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	Other comprehensive income (OCI)				Attributable to owners of parent company	Non-controlling interests	TOTAL
	Debt instrument through OCI	Equity instrument through OCI	Foreign currency translation reserve	Effective portion of cash flow hedges			
Balance as at April 1, 2015	-	6,883.5	-	-	280,414.5	28,511.9	308,926.4
Profit for the year	-	-	-	-	45,457.1	11,126.0	56,583.1
Exchange difference arising on translation of foreign operations	-	-	15,943.1	-	15,943.1	1,558.9	17,502.0
Other comprehensive income for the year, net of income tax	1.3	(2,802.4)	-	-	(3,148.6)	-	(3,148.6)
Total comprehensive income for the year	**1.3**	**(2,802.4)**	**15,943.1**	**-**	**58,251.6**	**12,684.9**	**709,936.5**
Payment of dividends	-	-	-	-	(7,219.5)	(25.7)	(7,245.2)
Corporate dividend tax	-	-	-	-	(1,469.7)	-	(1,469.7)
Recognition of share-based payments to employees	-	-	-	-	98.8	-	98.8
Issue of equity shares	-	-	-	-	91.2	-	91.2
Issue of equity shares pursuant to the scheme of amalgamation (Refer note 66)	-	-	-	-	-	-	-
Transfer on exercise of share options	-	-	-	-	-	-	-
Transferred from debentures redemption reserve on repayment of debentures	-	-	-	-	-	-	-
Transferred from Surplus in Consolidated Statement of Profit and Loss	-	-	-	-	-	-	-
Utilised during the year	-	-	-	-	(39.8)	-	(39.8)
Buy-back of equity shares by subsidiary company	-	-	-	-	(302.3)	(318.6)	(620.9)
Transferred to Capital Reserve from Consolidated Statement of Profit and Loss as per the Local Law of an overseas subsidiary	-	-	-	-	-	-	-
Transferred from Surplus in Consolidated Statement of Profit and Loss as per the Local Law of an overseas subsidiary	-	-	-	-	-	-	-
Balance as at March 31, 2016	**1.3**	**4,081.1**	**15,943.1**	**-**	**329,824.8**	**40,852.5**	**370,677.3**
Profit for the year	-	-	-	-	69,643.7	8,818.6	78,462.3
Exchange difference arising on translation of foreign operations	-	-	(8,927.4)	-	(8,927.4)	(1,534.3)	(10,461.7)
Other comprehensive income for the year, net of income tax	(4.7)	(3,741.4)	-	46.2	(4,410.2)	-	(4,410.2)
Total comprehensive income for the year	**(4.7)**	**(3,741.4)**	**(8,927.4)**	**46.2**	**56,306.1**	**7,284.3**	**63,590.4**
Payment of dividends	-	-	-	-	(2,406.8)	(30.4)	(2,437.2)
Corporate dividend tax	-	-	-	-	(490.0)	-	(490.0)
Recognition of share-based payments to employees	-	-	-	-	32.3	-	32.3
Issue of equity shares	-	-	-	-	24.8	-	24.8
Buy-back of equity shares (Refer note 65)	-	-	-	-	(6,750.0)	-	(6,750.0)
Expenditure on buy-back of equity shares	-	-	-	-	(34.2)	-	(34.2)
Buy-back of equity shares by overseas subsidiary company	-	-	-	-	(10,110.3)	(10,447.5)	(20,557.8)
Transfer to capital redemption reserve on buy-back of equity shares	-	-	-	-	-	-	-
Transferred from Surplus in Consolidated Statement of Profit and Loss	-	-	-	-	-	-	-
Additional non-controlling interest arising on the acquisition of JSC Biosintez (Refer note 78)	-	-	-	-	-	249.7	249.7
Transferred from Surplus in Consolidated Statement of Profit and Loss as per the Local Law of an overseas subsidiary	-	-	-	-	-	-	-
Transfer on exercise of share options	-	-	-	-	-	-	-
Balance as at March 31, 2017	**(3.4)**	**339.7**	**7,015.7**	**46.2**	**366,396.7**	**37,908.6**	**404,305.3**

See accompanying notes 1 to 80 to the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

RAJESH K. HIRANANDANI
Partner
Mumbai, May 26, 2017

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

UDAY V. BALDOTA
Chief Financial Officer

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director
Mumbai, May 26, 2017

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
A. Cash flow from operating activities		
Profit Before Tax	90,478.7	65,706.3
Adjustments for:		
Depreciation and amortisation expense	12,647.5	10,375.3
Impairment of property, plant and equipment and other intangible assets (including amount considered in exceptional items in previous year)	203.6	4,981.1
Impairment of goodwill (including amount considered in exceptional items in previous year)	-	1,942.3
(Gain) /loss on sale / write off of property, plant and equipment and other intangible assets, net (including amount considered in exceptional items)	108.8	(400.4)
Finance costs	3,998.0	5,232.4
Interest income	(3,711.7)	(3,572.2)
Dividend income	(420.5)	(502.9)
Net gain arising on financial assets measured at fair value through profit or loss	(72.2)	(353.3)
Gain on sale of financial assets measured at fair value through profit or loss	(479.3)	(528.0)
Gain on disposal of an associate entity	(201.3)	-
Provision / write off for doubtful trade receivables / advances	341.8	1,602.1
Sundry balances written back	(618.5)	(175.2)
Expense recognised in respect of share based payments to employees	32.3	98.8
Impairment of non-current investment in an associate [₹ Nil (Previous year ₹ 16,380)]	-	0.0
Impairment of investments	6.8	166.8
Effect of exchange rate changes	(6,828.6)	(297.6)
Operating profit before working capital changes	**95,485.4**	**84,275.5**
Movements in working capital:		
(Increase) in inventories	(3,449.9)	(1,667.4)
(Increase) in trade receivables	(2,934.5)	(18,102.7)
(Increase) / decrease in other assets	(6,464.2)	20,922.4
Increase in trade payables	7,354.5	3,624.8
Decrease in other liabilities	(1,530.7)	(1,023.0)
Increase / (decrease) in provisions	2,932.7	(1,286.4)
Cash generated from operations	**91,393.3**	**86,743.2**
Income tax paid (net of refund)	(20,571.2)	(19,884.6)
Net cash from operating activities (A)	**70,822.1**	**66,858.6**
B. Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital-work-in-progress, other intangible assets and intangible assets under development)	(36,928.6)	(34,035.2)
Proceeds from disposal of property, plant and equipment and other intangible assets	1,024.7	706.0
Loans / Inter corporate deposits		
Given / placed	(6,504.6)	(5,045.7)
Received back / matured	6,796.8	5,120.3
Purchase of investments [including associate and joint venture ₹ 1,543.6 Million (Previous year ₹ 1,071.6 Million)]	(388,310.4)	(401,217.2)
Proceeds from sale of investments	391,943.9	416,414.1
Bank balances not considered as cash and cash equivalents		
Fixed deposits / margin money placed	(67,586.6)	(66,025.5)
Fixed deposits / margin money matured	55,224.3	46,731.2
Net cash outflow on acquisition of subsidiaries / business units (Refer note 78)	(1,671.8)	(10,255.5)
Interest received	3,365.2	3,378.7
Receipt of rental on assets given under finance lease	10.6	10.0

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Dividend received	420.5	502.9
Net cash used in investing activities (B)	**(42,216.0)**	**(43,715.9)**
C. Cash flow from financing activities		
Proceeds from borrowings	53,639.5	82,945.3
Repayment of borrowings	(45,268.2)	(90,764.9)
Payment for buy-back of equity shares of parent and buy-back of equity shares held by non-controlling interests of subsidiary	(27,307.8)	(469.5)
Dividend payment to non-controlling interests	(30.4)	(25.7)
Payment for share buy-back expenses	(34.2)	-
Net increase in working capital demand loans	2,349.9	1,038.6
Proceeds from issue of equity shares on exercise of stock options / share application money received	24.8	91.3
Finance costs (includes borrowing costs capitalised)	(3,338.3)	(3,013.9)
Dividend paid	(2,399.2)	(7,216.8)
Tax on dividend	(490.0)	(1,469.7)
Net cash used in financing activities (C)	**(22,853.9)**	**(18,885.3)**
Net increase in cash and cash equivalents (A+B+C)	5,752.2	4,257.4
Cash and cash equivalents at the beginning of the year	80,316.9	71,834.9
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	354.5	4,224.6
Cash and cash equivalents at the end of the year	**86,423.6**	**80,316.9**

Notes:

₹ in Million

	As at March 31, 2017	As at March 31, 2016
(a) Cash and cash equivalents comprises of		
Balances with banks		
In current accounts	49,192.3	53,731.0
In deposit accounts with original maturity less than 3 months	35,576.1	26,858.8
Cheques, drafts on hand	1,813.9	143.6
Cash on hand	45.7	18.0
Cash and cash equivalents (Refer note 14)	86,628.0	80,751.4
Less:- cash credit facilities included under loans repayable on demand in note 25	204.4	434.5
Cash and cash equivalents in cash flow statement	86,423.6	80,316.9

(b) For non cash transactions - refer note 67

See accompanying notes 1 to 80 to the consolidated financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

RAJESH K. HIRANANDANI
Partner
Mumbai, May 26, 2017

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

UDAY V. BALDOTA
Chief Financial Officer

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director
Mumbai, May 26, 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

1. General information

Sun Pharmaceutical Industries Limited ("the Parent Company") is a public limited company incorporated and domiciled in India and has its listing on the BSE Limited and National Stock Exchange of India Limited. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The Company is in the business of manufacturing, developing and marketing a wide range of branded and generic formulations and Active Pharmaceutical Ingredients (APIs). The Parent Company and its subsidiaries (hereinafter referred to as "the Company" or "the Group") have manufacturing locations spread across the world with trading and other incidental and related activities extending to the global markets.

2. Significant accounting policies

2.1 Statement of compliance

The Group has prepared its consolidated financial statements for the year ended March 31, 2017 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2016. Further, the Group has prepared the opening consolidated balance sheet as at April 01, 2015 (the transition date) in accordance with Ind AS.

For all the periods up to the year ended March 31, 2016, the Group had prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

These are the Group's first Ind AS financial statements. Refer Note 76 for the details of first-time adoption exemptions availed by the Group.

2.2 Basis of preparation and presentation

These financial statements for the year ended March 31, 2017 are the first financial statements, the Group has prepared in accordance with Ind AS.

The consolidated financial statements have been prepared on the historical cost basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; (ii) Non-current assets classified as held for sale which are measured at the lower of their carrying amount and fair value less costs to sell; and (iii) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company, and its subsidiaries as disclosed in Note 39. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

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.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-Group balances, transactions including unrealised gain / loss from such transactions and cash flows relating to transactions between members of the Group are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

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 profit or 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 off the related assets or liabilities of the subsidiary (i.e. reclassified to profit or 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.

Investments in Associates and Joint Ventures

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. The carrying value of the Group's investment includes goodwill identified on acquisition,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

net of any accumulated impairment losses. When the Group's share of losses of an associate or a joint venture exceeds its interest in that associate or joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has obligations or has 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 and discontinues 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.

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 off 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.

b. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classifications of its assets and liabilities as current and non-current.

c. Business combinations

The Group uses the acquisition method of accounting to account for business combinations that occurred on or after April 01, 2015. The acquisition date is generally the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Group measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), less the net recognised amount of the identifiable assets acquired and liabilities assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised immediately in the OCI and accumulates the same in equity as Capital Reserve where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase else the gain is directly recognised in equity as Capital Reserve. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. 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. 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

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.

d. Foreign currency

Foreign currency transactions

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 2.2.j). below for hedging accounting policies.

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign operations

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations, are translated to the Indian Rupees at exchange rates at the end of each reporting period. The income and expenses of such foreign operations are translated at the average exchange rates for the period. Resulting foreign currency differences are recognised in other comprehensive income/(loss) and presented within equity as part of Foreign Currency Translation Reserve (and attributed to non-controlling interests as appropriate). When a foreign operation is disposed off, the relevant amount in the Foreign Currency Translation Reserve is reclassified to profit or 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 profit or loss. For all other partial disposals

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(i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or 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.

e. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker 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.

f. Property, plant and equipment

Items of property, plant and equipment are stated in consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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 property, plant and equipment and is recognised in profit or loss.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the acquired asset is measured at the carrying amount of the asset given up.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and Capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013. Leasehold improvements are depreciated over period of the lease agreement or the useful life, whichever is shorter. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives are as follows:

Asset Category	No. of Years
Leasehold land	50-196
Leasehold improvements	3-10
Buildings	5-100
Buildings taken under finance lease	10-40
Buildings given under operating lease	30
Plant and equipment	3-25
Plant and equipment given under operating lease	2-15
Vehicles	3-15
Office equipment	2-21
Furniture and fixtures	2-17

Software for internal use, which is primarily acquired from third-party vendors and which is an integral part of a tangible asset, including consultancy charges for implementing the software, is capitalised as part of the

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related tangible asset. Subsequent costs associated with maintaining such software are recognised as expense as incurred. The capitalised costs are amortised over the lower of the estimated useful life of the software and the remaining useful life of the tangible fixed asset.

g. Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of consideration transferred, together with the amount of non-controlling interest in the acquiree, over the fair value of the Group's share of identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses. 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. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a cash-generating unit to which goodwill is allocated, the goodwill associated with the disposed cash-generating unit is included in the carrying amount of the cash-generating unit when determining the gain or loss on disposal.

Other intangible assets

Other intangible assets that are acquired by the Group and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Research and development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. An internally-generated intangible asset arising from development is recognised if and only if all of the following have been demonstrated:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure to be capitalised include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised since the probability of expected future economic benefits criterion is always considered to be satisfied for separately acquired intangible assets.

Acquired research and development intangible assets which are under development, are recognised as In-Process Research and Development assets ("IPR&D"). IPR&D assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment charge on such IPR&D assets is recognised in profit or loss. Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are tested for impairment annually, or more frequently when there is an indication that the assets may be impaired. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable.

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The consideration for acquisition of intangible asset which is based on reaching specific milestone that are dependent on the Group's future activity is recognised only when the activity requiring the payment is performed.

Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets that are not available for use are amortised from the date they are available for use.

The estimated useful lives for Product related intangibles and Other intangibles ranges from 5 to 20 years.

The estimated useful life and the amortisation method for intangible assets with a finite useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gain or loss arising on such de-recognition is recognised in profit or loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 01, 2015 i.e. transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

h. Impairment of non-financial assets other than goodwill

The carrying amounts of the Group's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. 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 or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised in the profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

In respect of assets other than goodwill, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i. 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

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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 off 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. Non-current assets are not depreciated or amortised.

j. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or

- The Group has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the

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transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Impairment of financial assets
In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

d) Trade receivables or any contractual right to receive cash or another financial asset

e) Loan commitments which are not measured as at FVTPL

f) Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial liabilities and equity instruments
Classification as debt or equity
Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Parent Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments.

Compound financial instruments
The component parts of compound financial instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement
All financial liabilities are subsequently measured at

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amortised cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative entered into by the Group that are not designated and effective as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For non-held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/ loss are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the consolidated statement of profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the profit or loss.

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value and if not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

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Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, full currency swap, options and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. 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 profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedges

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Treasury shares

The Group has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Group uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The Group treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Dividend distribution to equity holders of the parent

The Parent Company recognises a liability to make dividend distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Parent Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

k. Leases

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

Group as a lessee

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property 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. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss as finance costs, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. 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 also recognised as expenses in the periods in which they are incurred.

Group as a lessor

Rental income from operating lease 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 Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits

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accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

l. Inventories

Inventories consisting of raw materials and packing materials, work-in-progress, stock-in-trade and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost of raw materials and packing materials and stock-in-trade comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

m. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

n. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Restructuring

A provision for restructuring is recognised when the Group has a detailed formal restructuring plan and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditure arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

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 benefit expected to be received from the contract.

Contingent liabilities and contingent assets

Contingent liability is disclosed for,

(i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or

(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Contingent Assets are not recognised in the financial statements.

o. Revenue

Revenue from sale of goods include excise duty and is measured at the fair value of the consideration received or receivable. Revenue is net of returns, sales tax, chargebacks, rebates and other similar allowances.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of goods, it is probable that the economic benefit will flow to the Group, the associated costs and possible return of goods can be estimated reliably, there is neither continuing management involvement to the degree usually associated with ownership nor effective control over the goods sold and the amount of revenue can be measured reliably.

Provisions for chargeback, rebates, discounts and medicaid payments are estimated and provided for in the year of sales and recorded as reduction of revenue.

Sales Returns

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors.

Rendering of Services

Revenue from services rendered is recognised in the consolidated statement profit and loss as the underlying services are performed. Upfront non-refundable payments received are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Group and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Dividend and interest income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

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.

p. Government grants

The Group recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic basis over the expected useful life of the related asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

q. Employee benefits

Defined benefit plans

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations. The current service cost of the defined benefit plan, recognised in the profit or loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised in profit or loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to profit or loss.

Termination benefits

Termination benefits are recognised as an expense at the earlier of the date when the Group can no longer withdraw the offer of those benefits and when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

Short-term and Other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, and casual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

The Group's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value.

Defined contribution plans

The Group's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions.

Share-based payment arrangements

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, on a straight line basis, over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. 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 profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

r. Income tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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 is not recognised for the temporary differences that arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits and taxable temporary differences arising upon the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

s. Earnings per share

The Parent Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Parent Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

t. Recent Accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendment is applicable to the Company from April 01, 2017.

The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 3a

PROPERTY, PLANT AND EQUIPMENT

Following are the changes in the carrying value of property, plant and equipment

₹ in Million

	Freehold land	Leasehold land	Buildings	Buildings taken under finance lease*	Leasehold improvement on building	Buildings given under operating lease *	Plant and equipment	Plant and equipment given under operating lease *	Furniture and fixtures	Furniture and fixtures given under operating lease *	Vehicles	Office equipment	Total
At cost / deemed cost													
As at April 01, 2015	2,098.5	1,827.5	36,513.0	758.4	175.9	205.5	57,004.1	39.9	2,796.0	0.6	1,135.5	1,062.4	103,617.3
Consolidation Adjustments	71.8	66.9	1,351.4	78.6	12.5	11.3	1,983.1	1.2	101.7	-	(4.3)	31.9	3,706.1
Taken over on acquisition ^	83.5	-	429.1	30.0	-	-	2,019.7	-	24.2	-	11.3	0.1	2,597.9
Additions	76.7	-	4,486.7	734.6	66.4	-	9,465.6	-	321.1	-	154.6	232.5	15,538.2
Disposals	(61.0)	-	(731.6)	-	(0.9)	-	(1,317.6)	(19.4)	(111.2)	-	(158.4)	(26.9)	(2,427.0)
As at March 31, 2016	**2,269.5**	**1,894.4**	**42,048.6**	**1,601.6**	**253.9**	**216.8**	**69,154.9**	**21.7**	**3,131.8**	**0.6**	**1,138.7**	**1,300.0**	**123,032.5**
Consolidation Adjustments	(73.6)	(48.2)	(739.6)	(34.2)	(5.4)	(7.7)	(1,193.8)	(0.9)	(98.7)	(0.2)	(48.9)	(43.6)	(2,294.8)
Taken over on acquisition ^	524.1	-	1,566.4	-	-	-	2,001.4	-	28.2	-	28.5	6.9	4,155.5
Additions	403.6	-	4,553.2	-	-	94.3	10,502.5	-	652.4	-	189.2	452.4	16,847.6
Disposals	(220.7)	-	(2,124.9)	-	-	-	(4,922.1)	-	(227.7)	-	(232.8)	(18.4)	(7,746.6)
As at March 31, 2017	**2,902.9**	**1,846.2**	**45,303.7**	**1,567.4**	**248.5**	**303.4**	**75,542.9**	**20.8**	**3,486.0**	**0.4**	**1,074.7**	**1,697.3**	**133,994.2**
Accumulated depreciation and impairment													
As at April 01, 2015	-	180.7	6,877.6	746.4	22.2	34.3	23,406.2	17.3	1,525.3	0.6	354.0	452.0	33,616.6
Consolidation Adjustments	0.9	11.6	454.0	45.9	1.3	2.1	1,086.4	1.1	80.3	-	8.5	26.5	1,718.6
Depreciation expense	-	23.6	1,376.6	78.1	15.2	0.5	6,338.5	3.1	309.0	-	208.4	217.6	8,570.6
Impairment losses recognised in consolidated statement of profit and loss	23.5	-	2,921.8	-	-	-	1,982.5	-	16.3	-	3.3	5.9	4,953.3
Eliminated on disposals of assets	-	-	(557.0)	-	(0.4)	-	(921.7)	(1.2)	(106.0)	-	(53.1)	(18.6)	(1,658.0)
As at March 31, 2016	**24.4**	**215.9**	**11,073.0**	**870.4**	**38.3**	**36.9**	**31,891.9**	**20.3**	**1,824.9**	**0.6**	**521.1**	**683.4**	**47,201.1**
Consolidation Adjustments	(1.9)	(16.9)	(210.9)	(21.5)	(0.9)	(1.9)	(719.5)	(0.9)	(54.6)	(0.2)	(38.1)	(30.6)	(1,097.9)
Depreciation expense	-	23.9	1,295.8	83.5	3.6	33.1	6,309.5	0.8	312.8	-	189.4	269.7	8,522.1
Impairment losses recognised in consolidated statement of profit and loss	-	13.2	97.4	-	-	-	93.0	-	-	-	-	-	203.6
Eliminated on disposals of assets	-	-	(1,266.7)	-	-	-	(4,173.5)	-	(202.4)	-	(137.8)	(7.2)	(5,787.6)
As at March 31, 2017	**22.5**	**236.1**	**10,988.6**	**932.4**	**41.0**	**68.1**	**33,401.4**	**20.2**	**1,880.7**	**0.4**	**534.6**	**915.3**	**49,041.3**
Carrying amount													
As at April 01, 2015	2,098.5	1,646.8	29,635.4	12.0	153.7	171.2	33,597.9	22.6	1,270.7	-	781.5	610.4	70,000.7
As at March 31, 2016	2,245.1	1,678.5	30,975.6	731.2	215.6	179.9	37,263.0	1.4	1,306.9	-	617.6	616.6	75,831.4
As at March 31, 2017	2,880.4	1,610.1	34,315.1	635.0	207.5	235.3	42,141.5	0.6	1,605.3	-	540.1	782.0	84,952.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 3b

OTHER INTANGIBLE ASSETS

Other than internally generated

Following are the changes in the carrying value of intangible assets

₹ in Million

	Computer Software	Trademarks, Designs and Other Intangible Assets	Total
At cost or deemed cost			
As at April 01, 2015	1,197.8	18,415.1	19,612.9
Consolidation Adjustments	32.4	872.4	904.8
Taken over on acquisition ^	-	373.7	373.7
Additions	134.1	21,508.0	21,642.1
Disposals	(5.9)	(103.4)	(109.3)
As at March 31, 2016	**1,358.4**	**41,065.8**	**42,424.2**
Consolidation Adjustments	(16.1)	(1,461.4)	(1,477.5)
Taken over on acquisition ^	-	3.5	3.5
Additions	99.1	15,041.3	15,140.4
Eliminated on disposals of assets	(25.8)	(757.0)	(782.8)
As at March 31, 2017	**1,415.6**	**53,892.2**	**55,307.8**
Accumulated amortisation and impairment			
As at April 01, 2015	399.0	12,752.6	13,151.6
Consolidation Adjustments	20.8	915.8	936.6
Amortisation expense	282.2	1,522.5	1,804.7
Impairment losses recognised in consolidated statement of profit and loss (also included in exceptional items)	3.1	64.5	67.6
Eliminated on disposals of assets	(3.2)	(76.8)	(80.0)
As at March 31, 2016	**701.9**	**15,178.6**	**15,880.5**
Consolidation Adjustments	(12.1)	(579.8)	(591.9)
Amortisation expense	237.6	3,887.8	4,125.4
Eliminated on disposals of assets	(15.1)	(527.7)	(542.8)
As at March 31, 2017	**912.3**	**17,958.9**	**18,871.2**
Carrying amount			
As at April 01, 2015	**798.8**	**5,662.5**	**6,461.3**
As at March 31, 2016	**656.5**	**25,887.2**	**26,543.7**
As at March 31, 2017	**503.3**	**35,933.3**	**36,436.6**

Footnotes :

(a) Buildings include ₹ 8,620 (As at March 31, 2016: ₹ 8,620 ; As at April 01, 2015: ₹ 8,620) towards cost of shares in a co-operative housing society.
(b) Impairment losses for the year ended March 31, 2016 includes ₹ 39.8 Million is utilised from Revaluation Reserve.
(c) Freehold land includes land valued at ₹ 25.5 Million (Previous Year ₹ 25.5 Million) pending registration in the name of the Parent Company.
(d) Excludes Fixed Assets Held for Sale (Refer Note 73).
(e) Deletions / Adjustments during the previous year includes refund received from authorities in respect of dismantling charges.
(f) Borrowing cost capitalised during the year ₹ 110.3 Million (Previous Year ₹ 162.1 Million)
* Refer Note 55
^ Refer Note 78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 4

INVESTMENTS IN ASSOCIATES (NON-CURRENT)

(carrying amount determined using equity method of accounting)

₹ in Million

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Unquoted, fully paid						
Investments in equity instruments						
Medinstill LLC	1,999	1,110.2	1,999	1,302.8	1,999	1,249.4
Daiichi Sankyo (Thailand) Limited Ordinary Shares of Baht 100 each fully paid	-	-	206,670	444.5	206,670	440.4
scPharmaceuticals Inc.	-	794.4	-	-	-	-
Investments in limited partnership						
Fraizer Healthcare VII, L.P.	-	1,436.9	-	733.0	-	304.4
Versant Venture Capital V, L.P.	-	951.4	-	528.5	-	181.5
Investments in limited liability partnership						
Trumpcard Advisors & Finvest LLP	-	312.5	-	-	-	-
Generic Solar Power LLP [₹ 28,760 (As at March 31, 2016: ₹ 28,760)]	-	0.0	-	0.0	-	-
Quoted, fully paid						
Investments in equity instruments (At cost, less impairment in value of investments)						
Zenotech Laboratories Limited * Shares of ₹ 10 each fully paid	16,128,078	2,463.5	16,128,078	2,463.5	16,127,293	2,463.5
Less: Impairment in value of investment		(2,463.5)		(2,463.5)		(2,463.5)
		4,605.4		**3,008.8**		**2,175.7**
Aggregate carrying value of unquoted investments		4,605.4		3,008.8		2,175.7
Aggregate book value (carrying value)of quoted investments		2,463.5		2,463.5		2,463.5
Market value of quoted investment		570.1		541.9		729.8
Aggregate amount of impairment in value of investments in associate		2,463.5		2,463.5		2,463.5

* The shares of this entity are thinly traded and therefore, market price has not been considered for the purpose of assessment of impairment in the value of its non-current investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 5

INVESTMENTS IN JOINT VENTURES (NON-CURRENT)

(carrying amount determined using equity method of accounting)

₹ in Million

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Unquoted, fully paid						
Investments in equity instruments						
MSD-Sun, LLC	10,564	0.7	10,564	0.7	10,564	0.7
S&I Ophthalmic LLC	-	183.9	-	383.4	-	176.8
Artes Biotechnology GmbH	15,853	244.9	15,853	270.9	15,853	240.5
		429.5		**655.0**		**418.0**
Aggregate carrying value of unquoted investments		429.5		655.0		418.0

Note 6

NON-CURRENT FINANCIAL INVESTMENTS

₹ in Million

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
In equity instruments						
Quoted						
Impax Laboratories Inc., Shares of USD 0.01 each fully paid	2,868,623	2,353.4	2,868,623	6,086.3	2,868,623	8,403.3
Krebs Biochemicals and Industries Limited Shares of ₹ 10 each fully paid	1,050,000	105.1	1,050,000	112.3	1,050,000	93.5
Perrigo Company plc	-	-	408	3.5	408	4.3
Teva Pharmaceutical Industries Ltd	-	-	80	0.3	80	0.3
Rekah Pharmaceutical Industries Ltd	-	-	20	0.0	20	0.0
Unquoted						
Enviro Infrastructure Co. Limited Shares of ₹ 10 each fully paid	100,000	1.0	100,000	1.0	100,000	1.0
Shivalik Solid Waste Management Limited Shares of ₹ 10 each fully paid	20,000	0.2	20,000	0.2	20,000	0.2
Nimbua Greenfield (Punjab) Limited Shares of ₹ 10 each fully paid	140,625	1.4	140,625	1.4	140,625	1.4
Shimal Research Laboratories Limited Shares of ₹ 10 each fully paid	9,340,000	934.0	9,340,000	934.0	9,340,000	934.0
Less: Impairment in value of investment		(934.0)		(934.0)		(934.0)
Biotech Consortium India Limited Shares of ₹ 10 each fully paid	50,000	0.5	50,000	0.5	50,000	0.5
Less: Impairment in value of investment		(0.5)		(0.5)		(0.5)
Silverstreet Development LLP [₹ 28,317 (As at March 31, 2016: ₹ 29,829)]	-	0.0	-	0.0	-	-
Reanal Finomvegyszergyar Zrt. (Reanal Ltd)	-	167.0	-	170.6	-	161.0
Less: Impairment in value of investment		(167.0)		(163.8)		-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Enceladus Pharmaceuticals BV, Netherlands	-	290.6	-	296.8	-	280.0
In government securities						
Quoted						
Government of Rajasthan UDAY non -SLR bond 7.75% Bond of ₹ 1 each fully paid maturing June 23, 2018	27,400,000	27.1	-	-	-	-
Government of Rajasthan UDAY non -SLR bond 7.86% Bond of ₹ 1 each fully paid maturing June 23, 2019	27,400,000	27.3	-	-	-	-
Government of Rajasthan UDAY non -SLR bond 8.01% Bond of ₹ 1 each fully paid maturing June 23, 2020	27,400,000	27.5	-	-	-	-
Government of Rajasthan UDAY non -SLR bond 8.21% Bond of ₹ 1 each fully paid maturing June 23, 2025	100,000,000	103.7	-	-	-	-
Government of Rajasthan UDAY non -SLR bond 8.39% Bond of ₹ 1 each fully paid maturing June 23, 2026	200,000,000	214.8	-	-	-	-
Government of Uttar Pradesh UDAY non -SLR bond 8.21% Bond of ₹ 1 each fully paid maturing June 23, 2026	150,000,000	159.7	-	-	-	-
Unquoted						
National Savings Certificates [₹ 10,000 (March 31, 2016: ₹ 10,000, April 01, 2015: ₹ 10,000)]	-	0.0	-	0.0	-	0.0
In debentures/bonds						
Quoted						
9.9% Non-convertible Debentures of ₹ 1,000,000 each fully paid of Housing Development Finance Corporation Ltd maturing on December 23, 2018	250	259.4	250	257.8	250	262.2
8.2% Bonds of ₹ 1,000 each fully paid of National Highways Authority of India maturing on January 25, 2022	61,809	66.7	61,809	65.3	61,809	63.6
8.2% Bonds of ₹ 1,000 each fully paid of Power Finance Corporation Ltd (Series I) maturing on February 1, 2022	142,393	153.6	142,393	150.4	142,393	146.6
8/8.15% Bonds of ₹ 1,000 each fully paid of Indian Railway Finance Corporation Ltd maturing on February 23, 2022	163,131	175.1	163,131	170.9	163,131	166.4
9.55% Debentures of ₹ 1,000,000 each fully paid of Canara Bank (Perpetual Bonds) maturing on March 5, 2025	-	-	-	-	500.0	499.7
10.75% Bonds of ₹ 1,000,000 each fully paid of IDBI Bank Ltd - OMNI (2014-15-Series II) Tier I Perpetual Bonds maturing on October 17, 2024	-	-	-	-	500.0	536.5
Unquoted						
0% Optionally Fully Convertible Debentures of ₹ 100 each fully paid of Sun Speciality Chemicals Pvt Ltd	-	-	1,156,500	106.0	1,156,500	97.1
Other investments						
Unquoted						
Frazier Healthcare LS VIII	-	96.2	-	3.3	-	-
5AM Ventures IV, L.P.	-	307.3	-	184.9	-	55.0
Atlas Venture Fund	-	205.0	-	49.7	-	-
		4,575.1		**7,496.9**		**10,772.1**
Aggregate book value (carrying value) of quoted investments		3,673.4		6,846.8		10,176.4
Aggregate amount of quoted investments at market value		3,673.4		6,846.8		10,176.4
Aggregate amount of unquoted investments before impairment		2,003.2		1,748.4		1,530.2
Aggregate amount of impairment in value of investments		1,101.5		1,098.3		934.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 7

LOANS (NON-CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Receivable on account of assets given under finance lease - secured, considered good (Refer note 55)	-	378.7	389.3
Loans to employees/others			
Secured, considered good	20.4	-	40.3
Unsecured, considered good	677.7	694.5	1,400.5
Doubtful	0.8	2.7	1.9
Less: Allowance for bad and doubtful loans	(0.8)	(2.7)	(1.9)
	698.1	**1,073.2**	**1,830.1**

Note 8

OTHER FINANCIAL ASSETS (NON-CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Bank deposits with more than 12 months maturity	4,589.2	7,631.4	-
Interest accrued on investment	-	-	48.9
Security deposits	462.0	390.8	441.2
Derivatives designated and effective in hedge accounting relationships	67.1	-	-
Derivatives not designated as hedges	627.7	1,442.2	1,011.5
Others	706.2*	345.5*	81.8
	6,452.2	**9,809.9**	**1,583.4**

* includes receivable towards sale of manufacturing facility

Note 9

INCOME TAX ASSET (NET) [NON-CURRENT]

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advance income tax (net of provisions)	31,250.1	15,726.2	11,238.8
	31,250.1	**15,726.2**	**11,238.8**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 10

OTHER NON-CURRENT ASSETS

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Capital advances	3,971.7	4,181.3	3,770.5
Prepaid expenses	91.1	87.6	47.0
Balances with government authorities	2,058.5	1,080.0	1,382.8
Advance for supply of goods and services	722.8	777.2	698.1
Other assets	17.7	26.7	35.8
	6,861.8	**6,152.8**	**5,934.2**

Note 11

INVENTORIES

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Lower of cost and net realisable value			
Raw materials and packing materials	21,212.3	19,428.8	18,159.7
Goods in transit	598.7	1,067.0	604.0
	21,811.0	**20,495.8**	**18,763.7**
Work-in-Progress	15,467.2	13,003.5	12,228.6
Finished Goods	24,986.8	24,076.6	19,436.2
Stock-in-trade	4,614.3	5,400.7	5,183.5
Goods in transit	94.7	305.7	283.2
	4,709.0	**5,706.4**	**5,466.7**
Stores, spares and other materials	1,350.9	940.7	772.4
Goods in transit	3.2	2.4	1.3
	1,354.1	**943.1**	**773.7**
	68,328.1	**64,225.4**	**56,668.9**

(i) Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write downs of inventories amounted to ₹ 9,174.9 Million (March 31, 2016: ₹ 8,253.8 Million; April 01, 2015: ₹ 7,482.6 Million). The changes in write downs are recognised as an expense in the consolidated statement of profit and loss.

(ii) For details of inventories pledged as security refer note 69.

(iii) The cost of inventories recognised as an expense is disclosed in Notes 33, 34 and 37 and as purchases of stock-in-trade in the consolidated statement of profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 12

INVESTMENTS (CURRENT)

₹ in Million

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
(Fully paid up)						
Quoted						
In equity instruments						
FS INVT CORP COM	22,316	14.2	14,659	9.1	-	3.8
In bonds/debentures						
Quoted						
0% 750 Debentures of IDFC of ₹ 1,000,000 maturing on April 9, 2015	-	-	-	-	750	743.6
9.7% 250 Secured Non Convertible Redeemable Debentures of Housing Development Finance Corporation Ltd of ₹ 1,000,000 maturing on December 23, 2018	-	-	-	-	250	252.5
I Shares New York Amt Free Muni	6,032	43.1	3,863	28.8	3,066	21.5
SPDR Ser TR Barclays Long	-	2.0	-	1.9	-	1.9
Investment in bonds (Various small value investments)	-	170.8	-	197.0	-	188.9
In Mutual funds*						
Unquoted						
Unit of ₹ 10 each fully paid						
DHFL Pramercia - Insta Cash Plus Fund - Direct Plan - Growth	14,561	3.1	181,124	35.7	-	-
JP Morgan India -Liquid Fund - Growth Plan	-	-	-	-	2,671,655	48.5
DSP Merrill Lynch Mutual Fund - DSP BlackRock FMP -Series 161 - 12M-Dir-Growth	-	-	-	-	20,000,000	217.9
Deutsche Mutual Fund-DWS Fixed Maturity Plan Series 63-Regular Plan-Growth	-	-	-	-	15,000,000	163.7
Deutsche Mutual Fund - DWS Interval Fund - Annual Plan Series 1 Direct - Growth	-	-	-	-	18,416,715	213.0
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 73-391 Days Plan G Direct Plan Cumulative	-	-	-	-	25,000,000	275.3
ICICI Prudential Mutual Fund - ICICI Prudential FMP Series 73 - 369 Days Plan T Direct Plan Cumulative	-	-	-	-	20,000,000	218.5
ICICI Prudential Mutual Fund - ICICI Prudential FMP Series 74 - 367 Days Plan D Direct Plan Cumulative	-	-	-	-	40,000,000	434.5
ICICI Prudential Mutual Fund - ICICI Prudential FMP Series 74 - 368 Days Plan J Direct Plan Cumulative	-	-	-	-	20,000,000	216.0
ICICI Prudential Mutual Fund - ICICI Prudential FMP Series 74 - 369 Days Plan K Direct Plan Cumulative	-	-	-	-	15,000,000	161.5
ICICI Prudential Mutual Fund - ICICI Prudential FMP Series 74-370 Days Plan S Direct Plan Cumulative	-	-	-	-	20,000,000	214.2
ICICI Prudential Mutual Fund - ICICI Prudential FMP Series 74 - 369 Days Plan B Direct Plan Cumulative	-	-	-	-	30,000,000	325.9
Kotak Mutual Fund-Kotak FMP Series 145 Direct-Growth	-	-	-	-	35,000,000	385.5
Kotak Mutual Fund - Kotak FMP Series 155 Direct-Growth	-	-	-	-	25,000,000	273.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Kotak Mutual Fund - Kotak FMP Series 156 Direct - Growth	-	-	-	-	25,000,000	272.5
Kotak Mutual Fund - Kotak FMP Series 157 Direct - Growth	-	-	-	-	20,000,000	217.7
Kotak Mutual Fund - Kotak FMP Series 158 Direct	-	-	-	-	20,000,000	217.4
L&T Mutual Fund-L&T FMP Series 10- Plan T - Growth	-	-	-	-	25,000,000	272.9
Reliance Mutual Fund-Reliance Yearly Interval Fund -Series 1-Direct Plan-Growth Plan	-	-	22,980,898	304.3	22,980,898	278.4
Reliance Mutual Fund - Reliance Fixed Horizon Fund - XXVI - Series 9 - Direct Plan Growth Plan	-	-	-	-	50,000,000	545.4
Reliance Mutual Fund - Reliance Yearly Interval Fund - Series 6 -Direct Growth Plan	-	-	-	-	45,929,287	544.9
Reliance Mutual Fund - Reliance Fixed Horizon Fund-XXVI-Series-20-Direct Plan-Growth Plan	-	-	-	-	25,000,000	270.1
Reliance Mutual Fund - Reliance Yearly Interval Fund-Series 8-Direct Plan Growth Plan	-	-	-	-	18,423,501	214.2
Reliance Mutual Fund - Reliance Fixed Horizon Fund-XXVI-Series-31-Direct Plan-Growth Plan	-	-	-	-	30,000,000	320.9
Reliance Mutual Fund - Reliance Yearly Interval Fund - Series 9 - Direct Plan Growth Plan	-	-	-	-	18,395,541	213.3
Reliance Mutual Fund - Reliance Fixed Horizon Fund -XXVI-Series 12-Direct Plan Growth Plan	-	-	-	-	25,000,000	272.6
Religare Invesco Mutual Fund - Religare Invesco FMP Serie 23-Plan O (370 Days) - Direct Plan Growth	-	-	-	-	20,000,000	213.3
Religare Invesco Mutual Fund - Religare Invesco FMP Series 23-Plan H (370 Days)-Direct Plan Growth	-	-	-	-	10,000,000	109.0
Religare Invesco Mutual Fund - Religare Invesco FMP Series 23-Plan L (370 Days)-Direct Plan Growth	-	-	-	-	21,000,000	227.8
Religare Aegon Mutual Fund - Religare Invesco FMP Series 23-Plan N (367 Days)-Direct Plan Growth	-	-	-	-	20,000,000	214.3
Unit of ₹ 100 each fully paid						
ICICI Prudential Mutual Fund-ICICI Prudential Liquid - Direct Plan - Growth	1,662,199	400.1	-	-	-	-
ICICI Prudential Mutual Fund-ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	-	-	6,825,507	1,320.7
Pramerica Mutual Fund-Pramerica Liquid Fund-Direct Plan-Growth Option fully paid	-	-	-	-	335,039	500.5
Unit of ₹ 1000 each fully paid						
Axis Mutual Fund - Axis Liquid Fund-Direct Growth	110,943	200.1	-	-	-	-
Axis Mutual Fund - Axis Liquid Fund- Direct Plan Growth-CFDG	-	-	-	-	483,934	750.7
BNP Paribas Mutual Fund- BNP Paribas Overnight Fund-Direct Plan Growth Option	-	-	214,785	500.5	348,489	750.6
Baroda Pioneer Mutual Fund -Baroda Pioneer Liquid Fund Plan B-Growth	213,966	400.1	863,209	1,502.5	467,631	750.7
DSP BlackRock Mutual Fund-DSP BlackRock Liquidity Fund-Direct Plan-Growth	107,519	250.1	-	-	249,960	500.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Indiabulls Mutual Fund-Indiabulls Liquid Fund-Direct Plan Growth	-	-	508,251	750.7	367,372	500.2
Kotak Mutual Fund-Kotak Liquid Scheme Plan A-Direct Plan-Growth	-	-	-	-	88,128	250.3
Kotak Mutual Fund-Kotak Floater Short Term - Direct Plan - Growth	187,362	500.1	334,131	830.8	-	-
LIC Mutual Fund-LIC MF Liquid Fund - Direct - Growth	110,235	325.1	-	-	-	-
Principal Mutual Fund-Principal Cash Management Fund-Direct Plan Growth	-	-	-	-	735,345	1,001.0
Reliance Mutual Fund-Reliance Liquid Fund - Cash Plan - Direct Growth Plan	-	-	716,594	1,752.4	2,239,411	5,048.2
SBI Mutual Fund-SBI Magnum Insta Cash Fund-Direct Plan-Growth	-	-	-	-	323,324	1,000.1
In commercial paper						
Unquoted						
Housing Development Finance Corporation Limited Units of Face Value of ₹ 500,000 each	-	-	1,000	491.0	-	-
JM Financial Products Ltd Units of Face Value ₹ 500,000 each	-	-	500	244.6	-	-
Barclays Investment & Loans (India) Ltd- 90D CP May 5, 2016; Units of Face Value of ₹ 500,000 each	-	-	1,000	488.8	-	-
Barclays Investment & Loans (India) Ltd- 193D CP 04SP15 Units of Face Value of ₹ 500,000 each	-	-	-	-	600	285.7
JM Financial Products Ltd- 180D CP 17AG15 Units of Face Value of ₹ 500,000 each	-	-	-	-	500	238.6
		2,308.8		**7,138.1**		**21,662.2**

* Investments in mutual funds have been fair valued at closing net asset value (NAV).

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Aggregate book value (carrying value) of quoted investments	230.1	236.8	1,212.2
Aggregate amount of quoted investments at market value	230.1	236.8	1,212.2
Aggregate amount of unquoted investments before impairment	2,078.7	6,901.3	20,450.0
Aggregate amount of impairment in value of investments	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 13

TRADE RECEIVABLES

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured			
Considered good	72,026.1	67,756.6	50,927.5
Doubtful	2,109.9	1,955.7	1,395.6
	74,136.0	**69,712.3**	**52,323.1**
Less: Allowance for doubtful debts (expected credit loss allowance)	(2,109.9)	(1,955.7)	(1,395.6)
	72,026.1	**67,756.6**	**50,927.5**

Note 14

CASH AND CASH EQUIVALENTS

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balance with Banks			
In current accounts	49,192.3	53,731.0	57,564.2
In deposit accounts with original maturity less than 3 months	35,576.1	26,858.8	14,896.4
Cheques, drafts on hand	1,813.9	143.6	164.4
Cash on hand	45.7	18.0	20.9
	86,628.0	**80,751.4**	**72,645.9**

Note 15

BANK BALANCES OTHER THAN DISCLOSED IN NOTE 14 ABOVE

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deposit accounts (*)	64,573.9	50,904.8	36,957.8
Earmarked balances with banks			
Unpaid dividend accounts	59.3	63.0	58.5
Balances held as margin money or security against guarantees and other commitments (*)	147.2	97.3	108.5
	64,780.4	**51,065.1**	**37,124.8**

(*) Other bank balances include deposits amounting to ₹ 25,700.8 Million (March 31, 2016: ₹ 46,848.6 Million; April 01, 2015: ₹ 28,052.4 Million) and margin monies amounting to ₹ 70.2 Million (March 31, 2016: ₹ 97.3 Million; April 01, 2015: ₹ 96.1 Million) which have an original maturity of more than 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 16

LOANS (CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Receivable on account of assets under finance lease - secured, considered good (Refer note 55)	-	10.6	10.0
Loans to related parties (Refer notes 49 and 70)			
Unsecured, considered good	454.0	-	238.0
Doubtful	512.0	512.0	274.0
Less: allowance for doubtful loans	(512.0)	(512.0)	(274.0)
	454.0	**-**	**238.0**
Loans to employees/others			
Secured, considered good	8.7	409.0	3,360.6
Unsecured, considered good	9,728.1	10,295.9	6,873.0
Doubtful	4.5	4.5	4.5
Less: allowance for doubtful Loans	(4.5)	(4.5)	(4.5)
	9,736.8	10,704.9	10,233.6
	10,190.8	**10,715.5**	**10,481.6**

Note 17

OTHER FINANCIAL ASSETS (CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Interest accrued on investments/balances with banks	599.9	284.4	90.8
Interest accrued and due on loans (Refer notes 70)			
Considered good	0.2	4.9	88.8
Doubtful	214.9	151.5	-
Less: allowance for doubtful interest accrued and due on loans	(214.9)	(151.5)	-
	0.2	**4.9**	**88.8**
Security deposits	70.9	177.8	130.1
Derivatives not designated as hedges	627.7	92.4	934.7
Other*	959.8	331.3	25,507.5
	2,258.5	**890.8**	**26,751.9**

* As at March 31, 2017 and as at March 31, 2016 includes receivable towards sale of assets/manufacturing facilities. As at April 01, 2015 includes receivable from a third party, which has agreed to bear damages paid by a subsidiary on account of patent infringement in consideration of the Group agreeing to sell them pharmaceutical products at a negotiated discounted price for a specified period.

Note 18

OTHER CURRENT ASSETS

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Export incentives receivable	2,159.2	1,936.4	1,500.4
Prepaid expenses	2,601.6	2,537.3	2,537.4
Advances for supply of goods and services	9,023.1	4,422.7	1,828.9
Balances with government authorities	8,997.8	7,855.3	6,537.4
Other	168.2	46.5	115.3
	22,949.9	**16,798.2**	**12,519.4**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 19

EQUITY SHARE CAPITAL

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares	₹ in Million	Number of shares	₹ in Million	Number of shares	₹ in Million
Authorised						
Equity shares of ₹ 1 each	5,990,000,000	5,990.0	5,990,000,000	5,990.0	5,990,000,000	5,990.0
Cumulative preference shares of ₹ 100 each	100,000	10.0	100,000	10.0	100,000	10.0
	5,990,100,000	**6,000.0**	**5,990,100,000**	**6,000.0**	**5,990,100,000**	**6,000.0**
Issued, subscribed and fully paid up						
Equity shares of ₹ 1 each (Refer note 42)	2,399,260,815	2,399.3	2,406,605,118	2,406.6	2,071,163,910	2,071.2
	2,399,260,815	**2,399.3**	**2,406,605,118**	**2,406.6**	**2,071,163,910**	**2,071.2**

Note 20

OTHER EQUITY

(Refer consolidated statement of changes in Equity for detailed movement in other equity balances)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
A) Share application money pending allotment March 31, 2017: ₹ 7,177) [Refer Note 58 (b)]	0.0	6.7	149.0
B) Reserve and surplus			
Capital reserve	507.5	456.9	268.0
Securities premium reserve	11,894.6	18,585.2	18,220.3
Debenture redemption reserve	2,083.4	1,041.7	750.0
Share options outstanding account	26.4	48.9	82.1
Revaluation reserve	-	-	39.8
Amalgamation reserve	43.8	43.8	43.8
Capital redemption reserve	7.5	-	-
Legal reserve	1.1	1.1	0.9
General reserve	35,578.0	35,578.0	34,828.0
Retained earnings	306,456.9	251,630.4	216,743.1
C) Items of other comprehensive income (OCI)			
Debt instrument through other comprehensive income	(3.4)	1.3	-
Equity instrument through other comprehensive income	339.7	4,081.1	6,883.5
Foreign currency translation reserve	7,015.7	15,943.1	-
Effective portion of cash flow hedges	46.2	-	-
Total reserves and surplus	**363,997.4**	**327,418.2**	**278,008.5**

Nature and purpose of each reserve

Capital reserve - During amalgamation / merger / acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

Securities premium reserve - The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Debenture redemption reserve - The Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend. This reserve was transferred to general reserve on redemption of debentures.

Share option outstanding account - The fair value of the equity settled share based payment transactions is recognised to share option outstanding account.

Revaluation reserve - Revaluation reserve is utilised in accordance with provisions of the Companies Act 2013.

Amalgamation reserve - The reserve was created pursuant to scheme of amalgamation in earlier years.

Capital redemption reserve - The Company has recognised capital redemption reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

Legal reserve - The reserve has been created by an overseas subsidiary in compliance with requirements of local laws.

General Reserve - The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Debt instrument through OCI - The Company has elected to recognise changes in the fair value of certain investment in debt instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of debt instrument.

Equity instrument through OCI - The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

Foreign currency translation reserve - Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

Effective portion of cash flow hedges -The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 21

BORROWINGS (NON-CURRENT) [Refer note 68]

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Redeemable non-convertible debentures			
Unsecured	5,000.0	10,000.0	-
Term loans	-	-	-
From banks			
Secured	-	-	327.4
Unsecured	8,583.4	20,309.9	12,677.7
From Department of Biotechnology			
Secured	108.2	77.3	77.3
From other parties			
Unsecured	-	-	513.1
Long-term maturity of finance lease obligations	662.5	715.8	2.2
Deferred payment liabilities	6.7	-	-
	14,360.8	**31,103.0**	**13,597.7**

Note 22

OTHER FINANCIAL LIABILITIES (NON-CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade/security deposits received	-	212.7	219.7
Interest accrued	-	4.9	3.4
Derivatives not designated as hedge	-	-	253.5
Other financial liabilities*	1,048.0	1,624.6	1,340.1
	1,048.0	**1,842.2**	**1,816.7**

* includes contractual and expected milestone obligation

Note 23

PROVISIONS (NON-CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Employee benefits (Refer note 56)	3,146.3	2,353.9	1,894.6
Others (Refer note 61)	8,964.8	16,604.7	21,179.9
	12,111.1	**18,958.6**	**23,074.5**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 24

OTHER NON-CURRENT LIABILITIES

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advances from customer	6.2	-	-
Deferred government grants (Refer note 72)	137.9	166.5	129.8
Deferred revenue	105.7	87.8	-
Others	9.3	-	-
	259.1	**254.3**	**129.8**

Note 25

BORROWINGS (CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans repayable on demand			
From banks			
Secured (Refer note 69)	198.1	2,560.5	2,739.0
Unsecured	47,046.5	48,040.8	46,808.1
From others			
Unsecured	1,001.4	-	-
Other loans			
From banks			
Secured [Refer note 69]	-	204.5	232.1
Unsecured	-	1,255.4	-
Commercial paper			
Unsecured	18,303.2	-	12,347.5
	66,549.2	**52,061.2**	**62,126.7**

Note 26

TRADE PAYABLES

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Dues to micro and small enterprises	123.8	111.4	109.6
Others	43,830.1	35,717.8	32,320.7
	43,953.9	**35,829.2**	**32,430.3**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 27

OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current maturities of long-term debt (Refer note 68)	17,368.2	1,770.7	13,975.8
Current maturities of finance lease obligations (Refer note 68)	39.5	32.7	21.9
Interest accrued	384.1	439.2	320.3
Unpaid dividends	76.6	72.8	65.7
Security deposits	179.4	17.7	15.8
Payables on purchase of property, plant and equipment	1,940.7	2,086.3	1,226.8
Derivatives designated as hedge	26.6	-	-
Derivatives not designated as hedge	217.4	216.1	5,322.6
Others*	1,883.8	2,237.8	3,188.5
	22,116.3	**6,873.3**	**24,137.4**

* includes claims, recall charges, contractual and expected milestone obligations, trade and other commitments.

Note 28

OTHER CURRENT LIABILITIES

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Statutory remittances	3,082.7	3,583.5	3,258.5
Advance from customers	1,205.8	719.1	370.0
Deferred revenue	13.4	-	6.6
Deferred government grants (Refer note 72)	12.6	-	-
Others	**306.0**	**166.8**	**602.7**
	4,620.5	**4,469.4**	**4,237.8**

Note 29

PROVISIONS (CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Employee benefits (Refer note 56)	2,220.3	1,631.5	1,717.2
Others (Refer note 61)	37,938.8	28,102.9	22,729.8
	40,159.1	**29,734.4**	**24,447.0**

Note 30

CURRENT TAX LIABILITIES (NET)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for income tax [Net of advance income tax]	1,471.2	2,472.1	5,914.7
	1,471.2	**2,472.1**	**5,914.7**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 31

REVENUE FROM OPERATIONS

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products (including excise duty)	302,642.3	278,880.7
Other operating revenues	13,142.1	5,989.6
	315,784.4	**284,870.3**

Note 32

OTHER INCOME

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Interest Income on:		
Bank deposits at amortised cost	1,602.3	1,263.3
Loans and advances at amortised cost	769.3	1,048.2
Investments carried at amortised cost	73.4	119.8
Investments in debt instruments at fair value through other comprehensive income	61.0	-
Investments carried at fair value through profit or loss	9.7	5.1
Other financial assets carried at amortised cost	852.7	913.7
Financial guarantee given measured at fair value through profit or loss	2.5	2.0
Others	340.8	220.1
	3,711.7	**3,572.2**
Dividend income on investments	420.5	502.9
Gain on sale of financial assets measured at fair value through profit or loss	479.3	528.0
Net gain arising on financial assets measured at fair value through profit or loss	72.2	353.3
Gain on disposal of property, plant and equipment and other intangible assets	18.7	591.7
Sundry balances written back	618.5	175.2
Insurance claims	134.4	284.7
Lease rental and hire charges	249.4	243.9
Income from government grants	20.9	-
Gain on disposal of an associate entity	201.3	-
Miscellaneous income	304.6	330.6
	6,231.5	**6,582.5**

Note 33

COST OF MATERIALS CONSUMED

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Raw and packing materials		
Inventories at the beginning of the year	20,495.8	18,763.7
Inventories acquired on acquisition (Refer note 78)	171.0	3,724.3
Purchases during the year	52,565.2	40,276.5
Foreign currency translation difference	(174.9)	(452.4)
Inventories at the end of the year	(21,811.0)	(20,495.8)
	51,246.1	**41,816.3**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 34

CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Inventories at the beginning of the year	42,786.5	37,131.5
Foreign currency translation difference	(339.8)	1,717.3
Inventories at the end of the year	(45,163.0)	(42,786.5)
	(2,716.3)	**(3,937.7)**

Note 35

EMPLOYEE BENEFITS EXPENSE

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	43,229.1	40,115.5
Contribution to provident and other funds	3,001.0	3,854.5
Share based payments to employees	32.3	98.8
Staff welfare expenses	2,760.6	3,654.3
	49,023.0	**47,723.1**

Note 36

FINANCE COSTS

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense for financial liabilities carried at amortised cost	2,854.6	2,424.7
Interest expense others	10.9	68.3
Exchange differences regarded as an adjustment to borrowing costs	694.7	2,201.4
Unwinding of discounts on provisions	437.8	538.0
	3,998.0	**5,232.4**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 37

OTHER EXPENSES

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Consumption of materials, stores and spare parts	6,531.0	5,633.7
Conversion and other manufacturing charges	6,408.8	4,407.1
Power and fuel	5,250.9	5,454.4
Rent	1,237.8	1,329.6
Rates and taxes	3,022.3	2,659.2
Insurance	1,068.2	1,253.0
Selling and distribution	20,736.5	17,266.1
Commission on sale	1,130.0	1,462.6
Repairs and maintenance	4,097.0	4,145.1
Printing and stationery	859.7	761.6
Travelling and conveyance	5,250.1	3,671.3
Freight outward and handling charges	3,339.9	3,894.8
Communication	726.1	774.3
Provision/write off for doubtful trade receivables/advances	341.8	1,602.1
Professional, legal and consultancy	14,642.6	18,862.0
Donations	32.1	173.9
Loss on sale/write off of property, plant and equipment	127.5	155.8
Net (gain) / loss on foreign currency transactions	(3,730.7)	2,925.0
Excise duty on sales	2,703.0	3,784.2
(Decrease)/increase of excise duty on inventories	(5.2)	115.4
Payment to auditors (net of input credit, where applicable)		
For audit [includes Nil (Previous year ₹ 0.7 Million) in respect of previous year]	170.4	193.3
For taxation matters	5.7	16.6
For other services	52.1	46.7
Reimbursement of expenses	4.7	0.9
Impairment of investments	6.8	166.8
Impairment of non-current investment in an associate [₹ Nil (Previous Year ₹ 16,380)]	-	0.0
Impairment of property, plant and equipment and other intangible assets	203.6	511.2
Miscellaneous expenses	10,348.6	10,993.5
	84,561.3	**92,260.2**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 38

RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	5,270.2	4,872.2
Contribution to provident and other funds	406.3	441.7
Staff welfare expenses	228.0	368.6
Consumption of materials, stores and spare parts	3,976.2	3,443.1
Power and fuel	366.3	347.8
Rates and taxes	318.0	104.0
Rent	92.9	136.9
Insurance	41.1	39.1
Repairs and maintenance	583.2	549.8
Printing and stationery	40.2	37.9
Travelling and conveyance	209.6	319.5
Communication	57.1	80.9
Professional, legal and consultancy	7,939.4	9,933.4
Loss on sale/write off of property, plant and equipment, Net	(0.4)	0.6
Miscellaneous expenses	1,930.4	1,566.9
	21,458.5	**22,242.4**
Less:		
Interest Income	2.0	2.1
Miscellaneous income	9.2	13.9
Receipts from Research activities	423.0	938.6
	434.2	**954.6**
	21,024.3	**21,287.8**

Note 39

a) List of entities included in the Consolidated Financial Statements is as under:

	Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year ended		
			March 31, 2017	March 31, 2016	April 01, 2015
	Parent Company				
	Sun Pharmaceutical Industries Limited				
	Direct Subsidiaries				
1	Green Eco Development Centre Limited	India	100.00%	100.00%	100.00%
2	Sun Pharmaceutical (Bangladesh) Limited	Bangladesh	72.50%	72.50%	72.50%
3	Sun Pharmaceutical Industries, Inc.	United States of America	100.00%	100.00%	100.00%
4	Sun Farmaceutica do Brasil Ltda.	Brazil	100.00%	100.00%	100.00%
5	Sun Pharma De Mexico S.A. DE C.V.	Mexico	75.00%	75.00%	75.00%
6	SPIL De Mexico S.A. DE C.V.	Mexico	100.00%	100.00%	100.00%
7	Sun Pharmaceutical Peru S.A.C.	Peru	99.33%	99.33%	99.33%
8	OOO "Sun Pharmaceutical Industries" Limited	Russia	100.00%	100.00%	99.00%
9	Sun Pharma De Venezuela, C.A.	Venezuela	100.00%	100.00%	100.00%
10	Sun Pharma Laboratories Limited	India	100.00%	100.00%	100.00%
11	Faststone Mercantile Company Private Limited	India	100.00%	100.00%	100.00%
12	Neetnav Real Estate Private Limited	India	100.00%	100.00%	100.00%
13	Realstone Multitrade Private Limited	India	100.00%	100.00%	100.00%
14	Skisen Labs Private Limited	India	100.00%	100.00%	100.00%
15	Sun Pharma Holdings	Mauritius	100.00%	100.00%	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

a) List of entities included in the Consolidated Financial Statements is as under:

	Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year ended		
			March 31, 2017	March 31, 2016	April 01, 2015
16	Softdeal Trading Company Private Limited	India	100.00%	100.00%	100.00%
17	Ranbaxy Pharmacie Generiques	France	100.00%	100.00%	100.00%
18	Ranbaxy Drugs Limited	India	100.00%	100.00%	100.00%
19	Vidyut Investments Limited	India	100.00%	100.00%	100.00%
20	Gufic Pharma Limited	India	100.00%	100.00%	100.00%
21	Ranbaxy (Malaysia) Sdn. Bhd.	Malaysia	71.22%	71.22%	71.22%
22	Ranbaxy Nigeria Limited	Nigeria	85.31%	85.31%	85.31%
23	Ranbaxy (Netherlands) B.V.	Netherlands	100.00%	100.00%	100.00%
24	Foundation for Disease Elimination and Control of India	India	100.00%	-	-
Step down Subsidiaries					
25	Caraco Pharma Inc.	United States of America	-	100.00% (see note f)	100.00%
26	Chattem Chemicals Inc.	United States of America	100.00%	100.00%	100.00%
27	The Taro Development Corporation	United States of America	100.00%	100.00%	100.00%
28	Alkaloida Chemical Company Zrt.	Hungary	99.99%	99.99%	99.99%
29	Sun Pharmaceuticals UK Limited	United Kingdom	100.00%	100.00%	100.00%
30	Sun Pharmaceutical Industries (Australia) Pty Limited	Australia	100.00%	100.00%	100.00%
31	Aditya Acquisition Company Ltd.	Israel	100.00%	100.00%	100.00%
32	Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	100.00%	100.00%	100.00%
33	Sun Pharmaceuticals Italia S.R.L.	Italy	100.00%	100.00%	100.00%
34	Sun Pharmaceuticals Spain, S.L.U.	Spain	100.00% (see note g)	100.00%	100.00%
35	Sun Pharmaceuticals Germany GmbH	Germany	100.00%	100.00%	100.00%
36	Sun Pharmaceuticals France	France	100.00%	100.00%	100.00%
37	Sun Pharma Global FZE	United Arab Emirates	100.00%	100.00%	100.00%
38	Sun Pharmaceuticals (SA) (Pty) Ltd.	South Africa	100.00%	100.00%	100.00%
39	Sun Global Canada Pty. Ltd.	Canada	100.00%	100.00%	100.00%
40	Sun Pharma Philippines, Inc.	Philippines	100.00%	100.00%	100.00%
41	Sun Pharmaceuticals Korea Ltd.	Korea	100.00%	100.00%	100.00%
42	Sun Global Development FZE	United Arab Emirates	100.00%	100.00%	100.00%
43	Caraco Pharmaceuticals Private Limited	India	100.00%	100.00%	100.00%
44	Sun Pharma Japan Ltd.	Japan	100.00%	100.00%	100.00%
45	Sun Pharma Healthcare FZE	United Arab Emirates	100.00%	100.00%	100.00%
46	Morley & Company, Inc.	United States of America	100.00%	100.00%	100.00%
47	Sun Laboratories FZE	United Arab Emirates	100.00%	100.00%	100.00%
48	Taro Pharmaceutical Industries Ltd. (TARO)	Israel (See note b)	72.81%	68.98%	68.87%
49	Taro Pharmaceuticals Inc.	Canada	72.81%	68.98%	68.87%
50	Taro Pharmaceuticals U.S.A., Inc.	United States of America	72.81%	68.98%	68.87%
51	Taro Pharmaceuticals North America, Inc.	Cayman Islands, British West Indies	72.81%	68.98%	68.87%
52	Taro Pharmaceuticals Europe B.V.	Netherlands	72.81%	68.98%	68.87%
53	Taro Pharmaceuticals Ireland Limited	Ireland	72.81%	68.98%	68.87%
54	Taro International Ltd.	Israel	72.81%	68.98%	68.87%
55	Taro Pharmaceuticals (UK) Limited	United Kingdom	72.81%	68.98%	68.87%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

a) List of entities included in the Consolidated Financial Statements is as under:

	Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year ended		
			March 31, 2017	March 31, 2016	April 01, 2015
56	Taro Hungary Intellectual Property Licensing Limited Liability Company	Hungary	72.81% (see note h)	68.98%	68.87%
57	3 Skyline LLC	United States of America	72.81%	68.98%	68.87%
58	One Commerce Drive LLC	United States of America	72.81%	68.98%	68.87%
59	Taro Pharmaceutical Laboratories Inc	United States of America	72.81%	68.98%	68.87%
60	Taro Pharmaceuticals Canada, Ltd.	Canada	72.81%	68.98%	68.87%
61	Taro Pharmaceutical India Private Limited	India (see note i)	72.81%	68.98%	68.87%
62	Alkaloida Sweden AB	Sweden	100.00%	100.00%	100.00%
63	Dusa Pharmaceuticals, Inc.	United States of America	100.00%	100.00%	100.00%
64	Dusa Pharmaceuticals New York, Inc.	United States of America	100.00% (see note j)	100.00%	100.00%
65	Sirius Laboratories Inc	United States of America	100.00% (see note k)	100.00%	100.00%
66	URL Pharma, Inc	United States of America	-	100.00% (see note l)	100.00%
67	AR Scientific, Inc	United States of America	-	100.00% (see note m)	100.00%
68	Mutual Pharmaceutical Company Inc.	United States of America	100.00%	100.00%	100.00%
69	United Research Laboratories, Limited	United States of America	-	100.00% (see note n)	100.00%
70	Dungan Mutual Associates, LLC	United States of America	100.00%	100.00%	100.00%
71	URL PharmPro, LLC	United States of America	100.00%	100.00%	100.00%
72	2 Independence Way LLC	United States of America	100.00%	100.00%	-
73	Thallion Pharmaceutical Inc.,	United States of America	100.00%	-	-
74	Universal Enterprises Private Limited	India	100.00%	100.00%	100.00%
75	Sun Pharma Switzerland Limited	Switzerland	100.00%	100.00%	100.00%
76	Silverstreet Developers LLP	India	-	100.00% (see note p)	100.00%
77	Sun Pharma East Africa Limited	Kenya	100.00%	100.00%	100.00%
78	Pharmalucence, Inc.	United States of America	100.00%	100.00%	100.00%
79	PI Real Estate Ventures, LLC	United States of America	100.00%	100.00%	100.00%
80	Sun Pharma ANZ Pty Ltd (Formerly known as Ranbaxy Australia Pty Ltd)	Australia	100.00%	100.00%	100.00%
81	Ranbaxy Belgium N.V.	Belgium	-	100.00% (see note q)	100.00%
82	Ranbaxy Farmaceutica Ltda.	Brazil	100.00%	100.00%	100.00%
83	Ranbaxy Pharmaceuticals Canada Inc.	Canada	100.00%	100.00%	100.00%
84	Ranbaxy Egypt LLC	Egypt	100.00%	100.00%	100.00%
85	Rexcel Egypt LLC	Egypt	100.00%	100.00%	100.00%
86	Office Pharmaceutique Industriel Et Hospitalier	France	100.00%	100.00%	100.00%
87	Basics GmbH	Germany	100.00%	100.00%	100.00%
88	Ranbaxy GmbH	Germany	100.00%	100.00%	100.00%
89	Ranbaxy Ireland Limited	Ireland	100.00%	100.00%	100.00%
90	Ranbaxy Italia S.P.A.	Italy	100.00%	100.00%	100.00%
91	Sun Pharmaceutical Industries S.A.C. (Formerly known as Ranbaxy - PRP (Peru) S.A.C.)	Peru	100.00%	100.00%	100.00%
92	Ranbaxy (Poland) Sp. Z o.o.	Poland	100.00%	100.00%	100.00%
93	Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda	Portugal	-	100.00% (see note r)	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

a) List of entities included in the Consolidated Financial Statements is as under:

	Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year ended		
			March 31, 2017	March 31, 2016	April 01, 2015
94	S.C Terapia S.A.	Romania	96.70%	96.70%	96.70%
95	AO Ranbaxy (Formerly known as ZAO Ranbaxy)	Russia	100.00%	100.00%	100.00%
96	Ranbaxy South Africa Proprietary Limited	South Africa	100.00%	100.00%	100.00%
97	Ranbaxy Pharmaceutical Proprietary Limited	South Africa	100.00%	100.00%	100.00%
98	Be-Tabs Investments Proprietary Limited	South Africa	100.00%	100.00%	100.00%
99	Sonke Pharmaceuticals Proprietary Limited	South Africa	70.00%	70.00%	70.00%
100	Laboratorios Ranbaxy, S.L.U.	Spain	100.00%	100.00%	100.00%
101	Ranbaxy (U.K.) Limited	United Kingdom	100.00%	100.00%	100.00%
102	Ranbaxy Holdings (U.K.) Limited	United Kingdom	100.00%	100.00%	100.00%
103	Ranbaxy Europe Limited	United Kingdom	100.00%	100.00%	100.00%
104	Ranbaxy Inc.	United States of America	100.00%	100.00%	100.00%
105	Ranbaxy Pharmaceuticals, Inc.	United States of America	100.00%	100.00%	100.00%
106	Ranbaxy (Thailand) Company Limited	Thailand	100.00%	100.00%	100.00%
107	Ohm Laboratories, Inc.	United States of America	100.00%	100.00%	100.00%
108	Ranbaxy Laboratories, Inc.	United States of America	100.00%	100.00%	100.00%
109	Ranbaxy Signature LLC	United States of America	67.50%	67.50%	67.50%
110	Sun Pharmaceuticals Morocco LLC (Formerly known as Ranbaxy Morocco LLC)	Morocco	100.00%	100.00%	100.00%
111	"Ranbaxy Pharmaceuticals Ukraine" LLC	Ukraine	100.00%	100.00%	100.00%
112	Perryton Wind Power LLC	United States of America	100.00% (see note s)	100.00%	-
113	Insite Vision Incorporated	United States of America	100.00%	100.00%	-
114	Insite Vision Ltd.	United Kingdom	100.00%	100.00%	-
115	Thea Acquisition Corporation	United States of America	-	100.00% (see note t)	-
116	Zalicus Pharmaceuticals Limited	Canada	-	100.00% (see note u)	-
117	Ocular Technologies SARL	Switzerland	100.00%	-	-
118	Sun Pharmaceutical Medicare Limited	India	100.00%	-	-
119	JSC Biosintez	Russia	85.10%	-	-
120	Sun Pharmaceuticals Holdings USA, INC	United States of America	100.00%	-	-
121	Sun Pharma Medisales Private Limited (Formerly known as Solrex Pharmaceuticals Company)	India	100.00% (see note v)	-	-
Name of Partnership Firm					
122	Sun Pharma Medisales Private Limited (Formerly known as Solrex Pharmaceuticals Company)	India	-	100.00% (see note v)	100.00%
Name of Joint Venture Entities					
123	MSD - Sun LLC	United States of America	50.00% (see note w)	50.00%	50.00%
124	S & I Ophthalmic LLC	United States of America	50.00%	50.00%	50.00%
125	Artes Biotechnology GmbH	Germany	45.00%	45.00%	45.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

a) List of entities included in the Consolidated Financial Statements is as under:

	Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year ended		
			March 31, 2017	March 31, 2016	April 01, 2015
Name of Subsidiary of Joint Venture Entity					
126	MSD - Sun FZ LLC	United Arab Emirates	50.00% (see note x)	50.00%	50.00%
Name of Associates					
127	Zenotech Laboratories Limited	India	46.84%	46.84%	46.84%
128	Daiichi Sankyo (Thailand) Ltd.	Thailand	26.90% (see note y)	26.90%	26.90%
129	Medinstill LLC	United States of America	19.99%	19.99%	19.99%
130	Fraizer Healthcare VII, L.P.	United States of America	6.83%	6.83%	6.83%
131	Versant Venture Capital V, L.P.	United States of America	7.75%	7.75%	7.75%
132	Generic Solar Power LLP	India	28.76%	28.76%	-
133	scPharmaceuticals Inc.	United States of America	14.58%	-	-
134	Trumpcard Advisors and Finvest LLP	India	40.61%	-	-

b	Following are the details of the Group's holding in Taro:	March 31, 2017	March 31, 2016	April 01, 2015
	Voting power	81.87%	79.32%	79.24%
	Beneficial ownership	72.81%	68.98%	68.87%

c In respect of entities at Sr. Nos. 4 to 8, 95, 111, 113, 114, 117, 119 and 125 the reporting date is as of December 31, 2016 and different from the reporting date of the Parent Company. Adjustments have been made for significant transactions of these subsidiaries for the periods from January 01, 2016 to March 31, 2016 and January 01, 2017 to March 31, 2017, on the basis of their management accounts for the said periods.

d Entities at Sr. No. 24, 73, 117, 118, 119, 120, 133 and 134 have been incorporated / acquired during the year ended March 31, 2017.

e Foundation for Disease Elimination and Control of India (FDEC), a wholly owned subsidiary incorporated in India on September 21, 2016 by the Company as part of its Corporate Social Responsibility (CSR) initiative. FDEC has entered into an MOU with Indian Council of Medical Research (ICMR) and Madhya Pradesh State Government to undertake the Mandla Malaria Elimination Demonstration Project with a goal to eliminate Malaria in the state. FDEC is a Section 8 company not considered for consolidation since it can apply its income for charitable purposes only and can raise funds/contribution independently.

f With effect from August 20, 2015, Caraco Pharma Inc., has been merged with Sun Pharmaceutical Industries, Inc.

g With effect from March 02, 2017, Sun Pharmaceuticals Spain, S.L.U. has been liquidated.

h With effect from February 16, 2017, Taro Hungary Intellectual Property Licensing Limited Liability Company has been liquidated.

i Taro Pharmaceutical India Private Limited is under liquidation.

j With effect from August 16, 2016 Dusa Pharmaceuticals New York, Inc. has been dissolved.

k With effect from February 22, 2017 Sirius Laboratories Inc has been dissolved.

l With effect from April 01, 2015, URL Pharma Inc., has merged into Mutual Pharmaceutical Company, Inc.

m With effect from April 01, 2015, AR Scientific Inc. have merged into URL Pharma Inc.

n With effect from April 01, 2015, United Research Laboratories Limited, have merged into URL Pharma Inc.

o With effect from March 16, 2017, Thallion Pharmaceutical Inc. was acquired and merged with Taro Pharmaceuticals Inc.

p During the previous year, the Company has sold its investment in Silverstreet Developers LLP with effect from April 01, 2015.

q With effect from March 01, 2016, Ranbaxy Belgium N.V. has been liquidated.

r With effect from June 30, 2015 Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda has been liquidated.

s With effect from April 07, 2016 Perryton Wind Power LLC has been liquidated.

t With effect from November 02, 2015, Thea Acquisition Corporation has been merged with Insite Vision Incorporated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

u Zalicus Pharmaceuticals Limited was acquired during the previous year and subsequently amalgamated in Taro Pharmaceuticals Inc., on October 05, 2015.

v During the year, Solrex Pharmaceuticals Company, a partnership firm has been converted into company which is known as Sun Pharma Medisales Private Limited.

w MSD - Sun LLC is under liquidation.

x MSD-Sun FZ LLC has been deregistered with effect from September 14, 2015 having deregistration certificate dated December 25, 2016.

y Daiichi Sankyo (Thailand) Ltd.'s shares were sold as per agreement dated May 13, 2016.

z Significant Accounting Policies and other Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide for better understanding of the consolidated position of the Group. Recognising this purpose, the Group has disclosed only such policies and notes from the individual financial statements which fairly represent the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed when referred from the individual financial statements.

aa Disclosures mandated by the Companies Act, 2013 Schedule III Part II by way of additional information is given in Annexure A.

Note 40

CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

₹ in Million

		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
A)	**Contingent Liabilities**			
I)	Claims against the Group not acknowledged as debts	1,147.6	1,127.5	1,021.3
II)	Liabilities Disputed - Appeals filed with respect to :			
	Income Tax on account of Disallowances / Additions	56,712.6	30,915.7	26,706.7
	Sales Tax on account of Rebate / Classification	45.7	38.8	37.9
	Excise Duty on account of Valuation / Cenvat Credit	4,548.1	2,025.3	624.3
	Environment cess	23.3	23.3	23.3
	ESIC Contribution on account of applicability	132.8	0.2	0.2
	Service tax on certain services performed outside India under reverse charge basis	-	-	156.0
	Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, enjoyed by the Group	3,488.2	3,326.4	3,248.0
	Demand by JDGFT, import duty with respect to import alleged to be in excess of entitlement as per the Advanced Licence Scheme	16.7	15.4	15.4
	Fine imposed for anti-competitive settlement agreement by European Commission	715.4	773.0	689.1
	Octroi demand on account of rate difference	171.0	171.0	171.0
	Alleged breach of social security code contested by French subsidiary (maximum penalty amount)	-	-	124.8
	Other matters-employee /worker related cases, State Electricity Board, Punjab Land Preservation Act related matters etc.	126.0	284.4	302.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

III) LEGAL PROCEEDINGS

The Parent Company and / or its subsidiaries are involved in various legal proceedings including product liability, contracts, employment claims, anti-trust and other regulatory matters relating to conduct of its business. The respective company records a provision in the financial statements to the extent that it concludes that a liability is probable and estimable based on the status of these cases, advice of the counsel, management assessment of the likely damages etc. The Group carries product liability insurance / is contractually indemnified by the manufacturer, for an amount it believes is sufficient for its needs. In respect of other claims, the Group believes, these claims do not constitute material litigation matters and with its meritorious defences the ultimate disposition of these matters are not expected to have material adverse effect on its Financial Statements.

₹ in Million

		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
IV)	Trade commitments	-	-	530.6
	Footnote: Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.			
B)	Guarantees Given by the bankers on behalf of the Group	2,250.5	819.1	776.9

Note 41

COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Million

Commitments		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
I)	Estimated amount of contracts remaining to be executed on capital account (net of advances)	6,089.7	9,085.0	7,828.3
II)	Derivative related commitments - forward foreign exchange contracts [Refer note 47(C)]			
III)	Lease related commitments [Refer notes 55]			
IV)	Investment related commitments	1,715.2	246.6	2,894.4
V)	Letters of credit for imports	2,362.0	1,855.9	1,489.2

Note 42

DISCLOSURES RELATING TO SHARE CAPITAL

i Rights, Preferences and Restrictions attached to Equity Shares

The Equity Shares of the Parent Company, having par value of ₹ 1 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

ii Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period (As at April 01, 2015 excluding share suspense account):

	As at March 31, 2017		As at March 31, 2016	
	Number of shares	₹ in Million	Number of shares	₹ in Million
Equity shares of ₹ 1 each				
Opening Balance	2,406,605,118	2,406.6	2,071,163,910	2,071.2
Add: Shares allotted during the year pursuant to the scheme of Amalgamation (Refer note 66)	-	-	334,770,248	334.8
Add : Shares allotted to employees on exercise of employee stock options [excluding shares held by ESOP trust (Refer note 58)]	155,697	0.2	670,960	0.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

	As at March 31, 2017		As at March 31, 2016	
	Number of shares	₹ in Million	Number of shares	₹ in Million
Less: Buy-back of shares (Refer note 65)	(7,500,000)	(7.5)	-	-
Closing Balance	**2,399,260,815**	**2,399.3**	**2,406,605,118**	**2,406.6**

iii The movement of shares issued to ESOP Trust at face value is as follows (As at April 01, 2015 excluding share suspense account):

	As at March 31, 2017		As at March 31, 2016	
Equity shares of ₹ 1 each	Number of shares	₹ in Million	Number of shares	₹ in Million
Opening balance	123,381	0.1	-	-
Add: Shares allotted during the year pursuant to scheme of amalgamation (Refer note 66)	-	-	186,516	0.2
Add: Shares allotted to the ESOP trust	-	-	160,000	0.1
Less: shares allotted by ESOP trust on exercise of employee stock option	(93,015)	(0.1)	(223,135)	(0.2)
Closing balance (March 31, 2017: ₹ 30,366)	**30,366**	**0.0**	**123,381**	**0.1**

iv 1,035,581,955 (upto March 31, 2016: 1,035,581,955; upto April 01, 2015: 1,035,581,955) equity shares of ₹ 1 each have been allotted as fully paid up bonus shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

v 334,956,764 (upto March 31, 2016: 334,956,764; April 01, 2015: Nil) equity shares of ₹ 1 each have been allotted, pursuant to scheme of amalgamation, without payment being received in cash during the period of five years immediately preceding the date at which the Balance Sheet is prepared. (Refer note 66)

vi Refer note 58 for number of employee stock options against which equity shares are to be issued by the Parent Company / ESOP Trust upon vesting and exercise of those stock options.

vii 7,500,000 (upto March 31, 2016: Nil, upto April 01, 2015: Nil) equity shares of ₹ 1 each have been bought back during the period of five years immediately preceding the date at which the Balance Sheet is prepared. The shares bought back in the current year were cancelled immediately. (Refer note 65)

viii Equity Shares held by each shareholder holding more than 5 percent Equity Shares (As at April 01, 2015 excluding Share Suspense Account) in the Parent Company are as follows:

Name of Shareholders	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares held	% of Holding	Number of shares held	% of Holding	Number of shares held	% of Holding
Dilip Shantilal Shanghvi	230,285,690	9.6	231,140,480	9.6	231,140,480	11.2
Viditi Investment Pvt. Ltd.	200,846,362	8.4	201,385,320	8.4	201,385,320	9.7
Tejaskiran Pharmachem Industries Pvt. Ltd.	194,820,971	8.1	195,343,760	8.1	195,343,760	9.4
Family Investment Pvt. Ltd.	182,437,880	7.6	182,927,440	7.6	182,927,440	8.8
Quality Investments Pvt. Ltd.	182,379,237	7.6	182,868,640	7.6	182,868,640	8.8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 43

RESEARCH AND DEVELOPMENT EXPENDITURE

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Revenue, net (Excluding Depreciation) [Refer Note 38]	21,024.3	21,287.8
Capital	1,679.3	782.6
Total	**22,703.6**	**22,070.4**

Note 44

CATEGORIES OF FINANCIAL INSTRUMENTS

₹ in Million

	As at March 31, 2017		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments - quoted	-	2,472.7	-
Equity instruments - unquoted	293.2	-	-
Bonds/debentures - quoted	-	870.7	-
Government securities - quoted	-	560.1	-
Government securities - unquoted (₹ 10,000)	-	-	0.0
Mutual Funds - unquoted	2,078.7	-	-
Others - unquoted	608.5	-	-
Loans to related parties	-	-	454.0
Loans to employees/others	-	-	10,434.9
Trade receivables	-	-	72,026.1
Bank deposits with more than 12 months maturity	-	-	4,589.2
Security deposits	-	-	532.9
Cash and cash equivalents	-	-	86,628.0
Bank balances other than Cash and cash equivalents	-	-	64,780.4
Interest accrued on investments / balances with banks	-	-	599.9
Interest accrued on investments loans	-	-	0.2
Derivatives designated as hedges	-	67.1	-
Other financial assets	-	-	1,666.0
Mandatorily measured :			
Derivatives not designated as hedges	1,255.4	-	-
Total	**4,235.8**	**3,970.6**	**241,711.6**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	As at March 31, 2017		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial liabilities			
Borrowings	-	-	80,910.0
Current maturities of long-term debt and finance lease obligations	-	-	17,407.7
Trade payables	-	-	43,953.9
Interest accrued but not due on borrowings	-	-	384.1
Unpaid dividends	-	-	76.6
Trade/security deposits	-	-	179.4
Payable on purchase of property, plant and equipment	-	-	1,940.7
Derivatives designated as hedges	-	26.6	-
Other financial liabilities	-	-	2,931.8
Mandatorily measured :			
Derivatives not designated as hedges	217.4	-	-
Total	**217.4**	**26.6**	**147,784.2**

₹ in Million

	As at March 31, 2016		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments - quoted	3.8	# 6,207.7	-
Equity instruments - unquoted	306.2	-	-
Bonds/debentures - quoted	-	872.1	-
Bonds/debentures - unquoted	-	-	106.0
Government securities - unquoted (₹ 10,000)	-	-	0.0
Mutual Funds - unquoted	5,676.9	-	-
Commercial paper - unquoted	-	-	1,224.4
Others - unquoted	237.9	-	-
Receivable on account of assets under finance lease	-	-	389.3
Loans to employees/others	-	-	11,399.4
Trade receivables	-	-	67,756.6
Bank deposits with more than 12 months maturity	-	-	7,631.4
Security deposits	-	-	568.6
Cash and cash equivalents	-	-	80,751.4
Bank balances other than cash and cash equivalents	-	-	51,065.1
Interest accrued on investments / balances with banks	-	-	284.4
Interest accrued on loans	-	-	4.9
Other financial assets	-	-	676.8
Mandatorily measured :			
Derivatives not designated as hedges	1,534.6	-	-
Total	**7,759.4**	**7,079.8**	**221,858.3**

Pertains to investment in equity instruments of Impax Laboratories Inc., Krebs Biochemicals and Industries Limited and FS INVT CORP COM.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	As at March 31, 2016		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial liabilities			
Borrowings	-	-	83,164.2
Current maturities of long-term debt and finance lease obligations	-	-	1,803.4
Trade payables	-	-	35,829.2
Interest accrued but not due on borrowings	-	-	444.1
Unpaid dividends	-	-	72.8
Trade/security deposits	-	-	230.4
Payable on purchase of property, plant and equipment	-	-	2,086.3
Other financial liabilities	-	-	3,862.4
Mandatorily measured :			
Derivatives not designated as hedges	216.1	-	-
Total	**216.1**	**-**	**127,492.8**

₹ in Million

	As at April 01, 2015		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments - quoted	4.6	# 8,500.6	-
Equity instruments - unquoted	443.6	-	-
Bonds/debentures - quoted	-	2,883.4	-
Bonds/debentures - unquoted	-	-	97.1
Government securities - unquoted (₹ 10,000)	-	-	0.0
Mutual Funds - unquoted	19,925.7	-	-
Commercial paper - unquoted	-	-	524.3
Others - unquoted	55.0	-	-
Receivable on account of assets under finance lease	-	-	399.3
Loans to related parties	-	-	238.0
Loans to employees/others	-	-	11,674.4
Trade receivables	-	-	50,927.5
Cash and cash equivalents	-	-	72,645.9
Bank balances other than Cash and cash equivalents	-	-	37,124.8
Interest accrued on investments / balances with banks	-	-	139.7
Interest accrued and due on loans	-	-	88.8
Other financial assets	-	-	25,589.3
Security deposits	-	-	571.3
Mandatorily measured :			
Derivatives not designated as hedges	1,946.2	-	-
Total	**22,375.1**	**11,384.0**	**200,020.4**

Pertains to investment in equity instruments of Impax Laboratories Inc., Krebs Biochemicals and Industries Limited and FS INVT CORP COM.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	As at April 01, 2015		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial liabilities			
Borrowings	-	-	75,724.4
Trade payables	-	-	32,440.5
Current maturities of long-term debt and finance lease obligations	-	-	13,997.7
Interest accrued but not due on borrowings	-	-	323.7
Unpaid dividends	-	-	65.7
Trade/security deposits	-	-	235.5
Payable on purchase of property, plant and equipment	-	-	1,226.8
Other financial liabilities	-	-	4,528.6
Mandatorily measured :			
Derivatives not designated as hedges	5,576.1	-	-
Total	**5,576.1**	**-**	**128,542.9**

Note 45

FAIR VALUE HIERARCHY

₹ in Million

	As at March 31, 2017		
	Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value-recurring fair value measurements			
Financial assets			
Investments			
Equity instruments - quoted	2,472.7	-	-
Equity instruments - unquoted	-	-	293.2
Bonds / debentures - quoted	870.7	-	-
Government securities - quoted	560.1	-	-
Mutual funds - unquoted	2,078.7	-	-
Others - unquoted	-	-	608.5
Derivatives not designated as hedges	-	1,255.4	-
Derivatives designated as hedges	-	67.1	-
	5,982.2	**1,322.5**	**901.7**
Financial liabilities			
Derivative not designated as hedges	-	217.4	-
Derivatives designated as hedges	-	26.6	-
	-	**244.0**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	As at March 31, 2016		
	Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value-recurring fair value measurements			
Financial assets			
Investments			
Equity instruments - quoted	6,211.5	-	-
Equity instruments - unquoted	-	-	306.2
Bonds / debentures - quoted	872.1	-	-
Mutual funds - unquoted	5,676.9	-	-
Others - unquoted	-	-	237.9
Derivatives not designated as hedges	-	1,534.6	-
	12,760.5	**1,534.6**	**544.1**
Financial liabilities			
Derivative not designated as hedges	-	216.1	-
	-	**216.1**	**-**

₹ in Million

	As at April 01, 2015		
	Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value-recurring fair value measurements			
Financial assets			
Investments			
Equity instruments - quoted	8,505.2	-	-
Equity instruments - unquoted	-	-	443.6
Bonds / debentures - quoted	2,883.4	-	-
Mutual funds - unquoted	19,925.7	-	-
Others - unquoted	-	-	55.0
Derivatives not designated as hedges	-	1,946.2	-
	31,314.3	**1,946.2**	**498.6**
Financial liabilities			
Derivative not designated as hedges	-	5,576.1	-
	-	**5,576.1**	**-**

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

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

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

The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximates the fair value because there is wide range of possible fair value measurements and the costs represents estimate of fair value within that range.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

The investments which are fair valued through other comprehensive income, 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 fair value through other comprehensive income as the management believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in consolidated statement of profit and loss. There were no transfers between Level 1 and 2 in the period.

The management considers that the carrying amount of financial assets and financial liabilities carried as amortised cost approximates their fair value.

Reconciliation of Level 3 fair value measurements

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Unlisted shares valued at fair value		
Balance at the beginning of the year	544.1	498.6
Purchases	462.8	179.5
Foreign currency translation difference	(98.4)	29.8
Disposal / settlements	(6.8)	(163.8)
Balance at the end of the year	**901.7**	**544.1**

Note 46

CAPITAL MANAGEMENT

a) The Group's capital management objectives are:
- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Group monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the consolidated financial statements. The Group's objective for capital management is to maintain an optimum overall financial structure.

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Debt (includes non-current borrowings, current borrowings, current maturities of finance lease obligations and current maturities of long term debt)	98,317.7	84,967.6	89,722.1
Less: cash and cash equivalents	86,628.0	80,751.4	72,645.9
Net debt	11,689.7	4,216.2	17,076.2
Total equity	404,305.3	370,677.3	308,926.4
Net debt to total equity ratio	2.9%	1.1%	5.5%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

b) Dividend on Equity shares paid during the year

₹ in Million

	March 31, 2017	March 31, 2016
Dividend on equity shares		
Final dividend for the year ended March 31, 2016 of ₹ 1.0 (Previous year for year ended March 31, 2015: ₹ 3.0) per fully paid share	2,406.8	7,219.5
Dividend distribution tax on above	490.0	1469.7
Dividends not recognised at the end of the reporting period		
The Board of Directors at its meeting held on May 26, 2017 have recommended payment of final dividend of ₹ 3.5 per share of face value of ₹ 1 each for the year ended March 31, 2017. The same amounts to ₹ 8,397.6 Million.		
This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and hence not recognised as liability.		

Note 47

FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Group grants credit terms in the normal course of business.

Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Trade receivables

The Group has used expected credit loss (ECL) model for assessing the impairment loss. For this purpose, the Group uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Financial assets for which loss allowances is measured using the expected credit loss			
Trade receivables			
less than 180 days	69,889.0	65,351.3	48,763.9
180 - 365 days	1,729.0	1,671.5	1,204.2
beyond 365 days	2,518.0	2,689.5	2,355.0
Total	**74,136.0**	**69,712.3**	**52,323.1**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Movement in the expected credit loss allowance on Trade receivables		
Balance at the beginning of the year	1,955.7	1,395.6
Addition	318.1	1,528.3
Recoveries	(163.9)	(968.2)
Balance at the end of the year	**2,109.9**	**1,955.7**

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

The Group had unutilised credit limit/undrawn borrowing facilities from banks of ₹ 62,162.2 Million as on March 31, 2017, ₹ 32,401.2 Million as on March 31, 2016, ₹ 33,533.8 Million as on April 01, 2015.

The table below provides details regarding the contractual maturities of undiscounted significant financial liabilities as at March 31, 2017:

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	Total As at March 31, 2017
Non derivative				
Borrowings	84,178.8	12,881.4	1,482.4	98,542.6
Trade payables	43,953.9	-	-	43,953.9
Other financial liabilities	4,464.6	1,048.0	-	5,512.6
	132,597.3	**13,929.4**	**1,482.4**	**148,009.1**
Derivatives	**244.0**	-	-	**244.0**

The table below provides details regarding the contractual maturities of undiscounted significant financial liabilities as at March 31, 2016:

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	Total As at March 31, 2016
Non derivative				
Borrowings	53,891.0	29,527.0	1,613.7	85,031.7
Trade payables	35,829.2	-	-	35,829.2
Other financial liabilities	4,853.8	1,842.2	-	6,696.0
	94,574.0	**31,369.2**	**1,613.7**	**127,556.9**
Derivative	**216.1**	-	-	**216.1**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

The table below provides details regarding the contractual maturities of undiscounted significant financial liabilities as at April 01, 2015:

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	Total As at April 01, 2015
Non derivative				
Borrowings	76,314.0	12,588.9	1,058.4	89,961.3
Trade payables	32,430.3	10.2	-	32,440.5
Other financial liabilities	4,817.1	1,563.2	-	6,380.3
	113,561.4	**14,162.3**	**1,058.4**	**128,782.1**
Derivatives	**5,322.6**	**253.5**	-	**5,576.1**

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Foreign exchange risk

The Group's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US Dollar, Euro, South African Rand and Russian Rouble) and foreign currency borrowings (primarily in US Dollar). As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Group's revenues and expenses measured in Indian Rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group uses both derivative and non-derivative financial instruments, such as foreign exchange forward contracts, option contracts, currency swap contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

a) Significant foreign currency risk exposure relating to trade receivables, cash and cash equivalents, borrowings and trade payables

₹ in Million

	As at March 31, 2017					
	US Dollar	Euro	Russian Rouble	South African Rand	Japanese Yen	Total
Trade receivables	12,797.0	1,994.9	1,727.1	5,034.1	8.3	21,561.4
Cash and cash equivalents	1,135.6	822.8	352.3	-	449.2	2,759.9
	13,932.6	**2,817.7**	**2,079.4**	**5,034.1**	**457.5**	**24,321.3**
Borrowings	38,296.9	-	-	-	-	38,296.9
Trade payables	4,990.1	1,386.1	0.3	161.4	298.1	6,836.0
	43,287.0	**1,386.1**	**0.3**	**161.4**	**298.1**	**45,132.9**

₹ in Million

	As at March 31, 2016					
	US Dollar	Euro	Russian Rouble	South African Rand	Japanese Yen	Total
Trade receivables	12,033.9	2,063.9	1,191.0	2,086.9	-	17,375.7
Cash and cash equivalents	1,256.2	883.1	26.0	-	-	2,165.3
	13,290.1	**2,947.0**	**1,217.0**	**2,086.9**	**-**	**19,541.0**
Borrowings	49,030.4	-	-	-	-	49,030.4
Trade payables	4,235.9	1,592.0	3.0	161.6	4.9	5,997.4
	53,266.3	**1,592.0**	**3.0**	**161.6**	**4.9**	**55,027.8**

₹ in Million

	As at April 01, 2015					
	US Dollar	Euro	Russian Rouble	South African Rand	Japanese Yen	Total
Trade receivables	10,937.2	1,350.8	1,237.5	362.5	7.4	13,895.4
Cash and cash equivalents	450.5	617.8	258.3	0.1	-	1,326.7
	11,387.7	**1,968.6**	**1,495.8**	**362.6**	**7.4**	**15,222.1**
Borrowings	47,149.6	-	-	-	-	47,149.6
Trade payables	2,233.4	2,041.2	69.2	1.0	3.0	4,347.8
	49,383.0	**2,041.2**	**69.2**	**1.0**	**3.0**	**51,497.4**

b) Sensitivity

For the years ended March 31, 2017, March 31, 2016 and April 01, 2015, every 5% strengthening in the exchange rate between the Indian Rupee and the respective major currencies for the above mentioned financial assets/liabilities would increase Group's profit and equity by approximately ₹ 1,054.5 Million, ₹ 1,774.3 Million and ₹ 1,813.8 Million respectively. A 5% weakening of the Indian Rupee and the respective major currencies would lead to an equal but opposite effect.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

c) Derivative contracts

The Group is exposed to exchange rate risk that arises from its foreign exchange revenues and expenses, primarily in US Dollar, Euro, South African Rand and Russian Rouble, and foreign currency debt in primarily in US Dollar. The Group uses foreign currency forward contracts, foreign currency option contracts and currency swap contracts (collectively, "derivatives") to mitigate its risk of changes in foreign currency exchange rates. The counterparty for these contracts is generally a bank or a financial institution.

Hedges of highly probable forecasted transactions

The Group designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded as in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the consolidated statement of profit and loss.

In respect of the aforesaid hedges of highly probable forecasted transactions, the Group has recorded a loss of ₹ 46.2 Million for year ended March 31, 2017 and ₹ Nil for year ended March 31, 2016 in other comprehensive income. The Group also recorded as

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a component of revenue, loss of ₹ 559.7 Million for year ended March 31, 2017 and ₹ Nil for year ended March 31, 2016 due to occurrence of forecasted sale transaction.

Changes in the fair value of forward contracts and option contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in consolidated statement of the profit and loss account. The changes in fair value of the forward contracts and option contracts, as well as the foreign exchange gains and losses relating to the monetary items, are recognised in consolidated statement of the profit and loss.

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contracts:

Amount in Million

	Currency	Buy / Sell	Cross Currency	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Derivatives designated as hedges						
Forward contracts	ZAR	Sell	USD	USD 22.0	-	-
Forward contracts	USD	Buy	JPY	USD 19.5	-	-
Derivatives not designated as hedges						
Forward contracts	USD	Sell	INR	-	USD 140.0	USD 350.0
Forward contracts	USD	Buy	INR	USD 22.5	USD 14.0	USD 170.0
Forward contracts	AUD	Sell	USD	USD 1.3	-	-
Forward contracts	RUB	Sell	USD	USD 12.0	-	-
Currency cum interest rate swaps	USD	Buy	INR	USD 50.0	USD 50.0	USD 100.0
Currency options	USD	Buy	INR	USD 100.0	USD 100.0	USD 100.0
Currency options*	USD	Sell	INR	-	USD 1.0	USD 71.0
Interest rate swaps	USD	Buy	INR	USD 150.0	USD 40.0	-
Interest rate swaps	USD	Sell	USD	-	-	USD 6.7
Forward contracts	PLN	Sell	RON	-	-	PLN 1.7
Forward contracts	RUB	Sell	RON	-	-	RUB 62.6
Currency swaps	USD	Buy	INR	-	-	USD 30.0
Forward contracts	USD	Sell	NIS	USD 0.7	-	USD 26.1
Forward contracts	USD	Sell	CAD	USD 2.1	-	USD 24.9
Forward contracts	ZAR	Sell	INR	-	-	ZAR 42.5
Forward contracts	USD	Sell	HUF	USD 5.9	-	-

* Structured options @ 2 to 2.5 times

Interest rate risk

The Group has loan facilities on floating interest rate, which exposes the Group to risk of changes in interest rates. The Parent Company's Treasury Department monitors the interest rate movement and manages the interest rate risk by evaluating interest rate swaps etc. based on the market / risk perception.

For the year ended March 31, 2017 and March 31, 2016, every 50 basis point decrease in the floating interest rate component applicable to its loans and borrowings would increase the Group's profit before tax by approximately ₹ 196.2 Million and ₹ 257.8 Million respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Group's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Group's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Group's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2017, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

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FOR THE YEAR ENDED MARCH 31, 2017

Note 48

GOODWILL (NET):

Goodwill acquired in business combination is allocated, at acquisition, to the Cash Generating Units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

(i) Goodwill in respect of:

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Sun Pharmaceutical Industries, Inc.	23,273.5	23,729.6	22,683.2
Sun Farmaceutica do Brasil Ltda.	425.3	430.4	427.4
Sun Pharma Japan Ltd.	119.0	119.8	127.2
Taro Pharmaceutical Industries Ltd.	12,295.6	12,556.5	11,849.6
Ranbaxy Pharmaceutical Proprietary Limited	-	-	1,331.4
S.C Terapia S.A.	17,295.8	17,699.3	16,681.1
Ranbaxy Ireland Limited	-	-	117.0
Ranbaxy Farmaceutica Ltda.	358.9	366.6	345.9
Basics GmbH	311.9	338.7	301.1
Ranbaxy Pharmaceuticals, Inc.	290.0	296.5	281.3
Insite Vision Incorporated	435.3	445.0	-
Ranbaxy Italia S.p.A	-	-	239.3
Sun Pharma Medisales Private Limited (Formerly known as Solrex Pharmaceuticals Company)	1,208.0	1,208.0	1,208.0
Ranbaxy South Africa Proprietary Limited	3.4	3.1	3.5
JSC Biosintez	112.6	-	-
Sun Pharmaceuticals Medicare Limited	1.0	-	-
Gufic Pharma Limited	469.4	469.4	469.4
Total (A)	**56,599.7**	**57,662.9**	**56,065.4**
Less:			
Capital Reserve in respect of :			
Alkaloida Chemical Company Zrt.	1,152.5	1,229.2	1,149.5
Ranbaxy Nigeria Limited	1.4	1.5	1.4
Ranbaxy Drugs Limited	27.5	27.5	27.5
Ranbaxy Malaysia Sdn. Bhd.	56.1	57.3	41.0
Total (B)	**1,237.5**	**1,315.5**	**1,219.5**
Total (A-B)	**55,362.2**	**56,347.4**	**54,845.9**

(ii) Below is the reconciliation of the carrying amount of goodwill:

₹ in Million

	As at March 31, 2017	As at March 31, 2016
Opening balance	56,347.4	54,845.9
Add: Due to acquisitions during the year	113.6	688.7
Less: Impairment/write off (Refer note 62)	-	(1,942.3)
Add/ (Less): Foreign currency translation difference	(1,098.8)	2,755.1
Closing balance	**55,362.2**	**56,347.4**

The carrying amount of goodwill are stated above. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections covering generally a period of five years (which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations/ extrapolation of normal increase/ steady terminal growth rate) and appropriate discount rates that reflects current market assessments of time value of money and risks specific to these investments. The cash flow projections included estimates for five years developed using internal forecasts and terminal growth rate thereafter. The planning horizon reflects the assumptions for short to mid-term market developments. The average growth rate used in extrapolating cash flows beyond the planning period ranged from 1% to 2% for the year ended March 31, 2017, March 31, 2016 and April 01, 2015. Discount rate

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reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated on the weighted average cost of capital for respective CGU or group of CGUs. Discount rate used ranged from 4% to 11.9% for the year ended March 31, 2017, March 31, 2016 and April 01, 2015. The management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit. However, based on the impairment assessment, the Management has determined that in respect of certain subsidiaries, an impairment loss considering the above criteria/ factors aggregating to ₹ Nil (March 31, 2016: ₹ 1,942.3 Million) in the value of goodwill has been recognised.

Note 49

RELATED PARTY DISCLOSURES (IND AS-24) AS PER ANNEXURE 'B'

Note 50

INCOME TAXES

Tax Reconciliation

₹ in Million

Reconciliation of tax expense	Year ended March 31, 2017	Year ended March 31, 2016
Profit before tax	90,478.7	65,706.3
Enacted income tax rate in India (%)	34.608%	34.608%
Income tax expense calculated at enacted corporate tax rate	31,312.9	22,739.6
Effect of income that is exempt from tax	(8,605.7)	(6,395.7)
Effect of expenses that are not deductible in determining taxable profit	152.3	448.2
Incremental deduction allowed on account of research and development costs	(4,927.9)	(4,901.0)
Investment allowance deduction	(295.1)	(265.1)
Effect of income which is taxed at special rates	25.1	54.5
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	5,193.2	5,164.4
Effect of difference between Indian and foreign tax rates and non taxable subsidiaries	(12,658.7)	(9,608.1)
Effect of deferred tax expense on undistributed profits	415.3	415.3
Tax payable under MAT	2,100.0	-
Others	(595.7)	1,485.6
Income tax expense recognised in consolidated statement of profit and loss	**12,115.7**	**9,137.7**

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Note 51

DEFERRED TAX

i) DEFERRED TAX ASSETS (Net)

₹ in Million

	Opening balance April 01, 2015	Movement during the Year *	Closing balance March 31, 2016
Deferred Tax Asset			
Expenses claimed for tax purpose on payment basis	9,756.7	3,086.8	12,843.5
Unabsorbed depreciation/carry forward losses	4,019.2	389.3	4,408.5
Inventory and other related items	5,327.6	814.8	6,142.4
Intangible assets	3,282.9	(328.2)	2,954.7
Others	1,263.3	299.0	1,562.3
	23,649.7	**4,261.7**	**27,911.4**
MAT Credit Entitlement	7,517.0	-	7,517.0
	31,166.7	**4,261.7**	**35,428.4**
Less : Deferred Tax Liabilities			
Difference between written down value of property plant and equipment and capital work-in-progress as per books of accounts and income tax	3,299.9	(53.3)	3,246.6
Others	694.7	(2.8)	691.9
	3,994.6	(56.1)	3,938.5
	27,172.1	**4,317.8**	**31,489.9**

DEFERRED TAX ASSETS (Net)

₹ in Million

	Opening balance April 01, 2016	Movement during the Year *	Closing balance March 31, 2017
Deferred Tax Assets			
Expenses claimed for tax purpose on payment basis	12,843.5	(4,851.9)	7,991.6
Unabsorbed depreciation / carried forward losses	4,408.5	1,623.0	6,031.5
Inventory and other related items	6,142.4	(2,572.8)	3,569.6
Intangible assets	2,954.7	(103.7)	2,851.0
Others	1,562.3	(110.1)	1,452.2
	27,911.4	**(6,015.5)**	**21,895.9**
MAT Credit Entitlement	7,517.0	-	7,517.0
	35,428.4	**(6,015.5)**	**29,412.9**
Less : Deferred Tax Liabilities			
Difference between written down value of property plant and equipment and capital work-in-progress as per books of accounts and income tax	3,246.6	1,060.3	4,306.9
Others	691.9	(514.1)	177.8
	3,938.5	**546.2**	**4,484.7**
	31,489.9	**(6,561.7)**	**24,928.2**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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ii) DEFERRED TAX LIABILITIES (Net)

₹ in Million

	Opening balance April 01, 2015	Movement during the Year*	Closing balance March 31, 2016
Deferred Tax Liabilities			
Difference between written down value of property plant and equipment and capital work-in-progress as per books of accounts and income tax and others	814.8	(27.7)	787.1
Undistributed profits	-	415.3	415.3
	814.8	**387.6**	**1,202.4**
Less : Deferred Tax Assets			
Expenses claimed for tax purpose on payment basis	62.5	64.0	126.5
Others	0.9	47.3	48.2
	63.4	**111.3**	**174.7**
	751.4	**276.3**	**1,027.7**

DEFERRED TAX LIABILITIES (Net)

₹ in Million

	Opening balance April 01, 2016	Movement during the Year*	Closing balance March 31, 2017
Deferred Tax Liabilities			
Difference between written down value of property plant and equipment and capital work-in-progress as per books of accounts and income tax and others	787.1	2,891.6	3,678.7
Undistributed profits	415.3	(415.3)	-
	1,202.4	**2,476.3**	**3,678.7**
Less : Deferred Tax Assets			
Expenses claimed for tax purpose on payment basis	126.5	342.9	469.4
Others	48.2	13.2	61.4
	174.7	**356.1**	**530.8**
	1,027.7	**2,120.2**	**3,147.9**

* Movement during the year includes foreign currency translation difference amounting to ₹ 1,182.9 Million (gain) and ₹ 669.2 Million (loss) for the year ended March 31, 2016 and March 31, 2017 respectively and deferred tax on remeasurements of defined benefit plans amounting to ₹ 42.2 Million and ₹ 98.8 Million for the year ended March 31, 2016 and March 31, 2017 respectively, recognised in OCI.

iii) Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Tax losses	81,776.7	71,500.9	56,604.9
Unabsorbed depreciation	24,900.1	19,897.1	15,259.9
Unused tax credits (including MAT credit entitlement)	8,178.9	6,853.5	6,639.0
Deductible temporary differences	25,892.5	28,057.5	27,089.5
	140,748.2	**126,309.0**	**105,593.3**

The unused tax credits will expire from financial year 2017-18 to financial year 2023-24 and unused tax losses expiry ranges from financial year 2017-18 to 2032-33. In case of certain overseas subsidiaries which have tax losses and unused tax credits, the amount is not material and there is no expiry period for tax losses and unused tax credits.

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FOR THE YEAR ENDED MARCH 31, 2017

Note 52

EARNINGS PER SHARE

	Year ended March 31, 2017	Year ended March 31, 2016
Profit for the year (₹ in Million) - used as numerator for calculating earnings per share	69,643.7	45,457.1
Weighted Average number of shares used in computing basic earnings per share	2,403,319,673	2,406,379,179
Add: Dilution effect of employee stock options	203,455	1,059,730
Weighted average number of shares used in computing diluted earnings per share	**2,403,523,128**	**2,407,438,909**
Nominal value per share (in ₹)	1	1
Basic Earnings Per Share (in ₹)	29.0	18.9
Diluted Earnings Per Share (in ₹)	**29.0**	**18.9**

Note 53

SEGMENT REPORTING

The Chief Operating Decision Maker ('CODM') evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Group's reportable segments are as follows:

1. India
2. United States
3. Emerging Markets
4. Rest of the World

The reportable segments derives their revenues from the sale of pharmaceuticals products (generics, speciality, API, etc.) . The CODM reviews revenue as the performance indicator. The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements.

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Revenue by Geography		
India	80,610.1	77,844.6
United States of America	138,823.6	136,724.7
Emerging markets	49,074.2	39,075.5
Rest of world	34,134.4	25,235.9
	302,642.3	**278,880.7**

In view of the interwoven / intermix nature of business and manufacturing facility, other segmental information is not ascertainable.

Concentration of Revenues from two customers of the Group were 35.7% and 30.9% of total revenue for the year ended March 31, 2017 and March 31, 2016 respectively.

Note 54

Other intangible assets consisting of trademarks, designs, technical knowhow, licences, non-compete fees and other intangible assets are stated at cost of acquisition based on their agreements. The amortisable amount of intangible assets is arrived at, based on the management's best estimates of useful lives of such assets after due consideration as regards their expected usage, the product life cycles, technical and technological obsolescence, market demand for products, competition and their expected future benefits to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 55

LEASES

(a) The Group has given certain premises and Plant and Machinery under operating lease or leave and license agreements. These are generally not non-cancellable and periods range between 11 months to 10 years under leave and license / lease and are renewable by mutual consent on mutually agreeable terms. The Group has received refundable interest free security deposits, where applicable, in accordance with agreed terms.

(b) The Group has obtained certain premises for its business operations (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months to 10 years under leave and licenses, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Group has given refundable interest free security deposits in accordance with the agreed terms. These refundable security deposits have been valued at amortised cost under relevant Ind AS.

(c) Lease receipts/payments are recognised in the consolidated statement of profit and loss under "Lease Rental and Hire Charges" and "Rent" in Note 32 and Note 37.

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
(d) Operating lease		
(i) Group as lessee		
The future minimum lease payments under non-cancellable operating lease		
not later than one year	386.2	596.3
later than one year and not later than five years	648.1	840.1
later than five years	203.3	209.2
(ii) Group as lessor		
The future minimum lease payments under non-cancellable operating lease		
not later than one year	133.5	28.0
later than one year and not later than five years	532.9	107.9
later than five years	58.3	67.6
(e) Finance lease		
(i) Group as lessee		
The future minimum lease payments under non-cancellable finance lease		
not later than one year	134.5	134.6
later than one year and not later than five years	433.2	569.5
later than five years	494.6	654.5
Less: Unearned Finance Charges	360.3	610.1
Present value of minimum lease payments payable		
not later than one year	39.5	32.7
later than one year and not later than five years	265.4	223.7
later than five years	397.1	492.1
(ii) Group as lessor		
The future minimum lease payments under non-cancellable finance lease		
not later than one year	-	46.8
later than one year and not later than five years	-	165.8
later than five years	-	716.2
Less: Unearned Finance Income	-	539.5
Present value of minimum lease payments receivable		
not later than one year	-	10.6
later than one year and not later than five years	-	28.3
later than five years	-	350.4

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Note 56

EMPLOYEE BENEFITS

Defined contribution plan

Contributions are made to Regional Provident Fund (RPF), Family Pension Fund, Employee State Insurance Corporation (ESIC) and other Funds which covers all regular employees of the parent and Indian subsidiaries. While both the employees and parent and Indian subsidiaries make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund and other statutory funds are made only by the parent and Indian subsidiaries. The contributions are normally based on a certain percentage of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹ 773.2 Million (Previous Year ₹ 730.0 Million).

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Contribution to Provident Fund and Family Pension Fund	668.8	613.3
Contribution to Superannuation Fund	74.9	90.3
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	29.3	26.3
Contribution to Labour Welfare Fund	**0.2**	**0.1**

The Parent and Indian subsidiaries has an obligation towards provident fund with respect to certain employees upto March 31, 2015 which was recognised as defined benefit plan. From the previous year the contribution for the same is made to RPF and the Parent and Indian subsidiaries does not have any obligation apart from such contribution. Accordingly, from previous year, the provident fund is recognised as defined contribution plan.

Defined benefit plan

a) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Parent and Indian subsidiaries reviews the level of funding in gratuity fund. The Parent and Indian subsidiaries decides its contribution based on the results of its annual review. The Parent and Indian subsidiaries aims to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium term.

b) Pension fund

The Parent and Indian subsidiaries has an obligation towards pension, a defined benefit retirement plan, with respect to certain employees, who had already retired before March 01, 2013, will continue to receive the pension as per the pension plan.

These plans typically expose the Parent and Indian subsidiaries to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

i) Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. However, the risk is partially mitigated by investment in LIC managed fund.

ii) Interest rate risk - A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

iii) 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.

iv) 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.

Other long term benefit plan

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per the Parent and Indian subsidiaries rules with corresponding charge to the Consolidated Statement of Profit and Loss amounting to ₹ 499.3 Million (Previous Year ₹ 465.2 Million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined as at the year end using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in other comprehensive income whereas gains and losses in respect of other long term employee benefit plans are recognised in the consolidated statement of profit and loss.

₹ in Million

	Year ended March 31, 2017			Year ended March 31, 2016		
	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)
Expense recognised in the consolidated statement of profit and loss (Refer note 35)						
Current service cost	-	-	242.4	-	-	211.4
Interest cost	70.2	592.6	204.5	76.6	347.6	168.3
Expected return on plan assets	-	(598.5)	(160.9)	-	(385.5)	(146.5)
Recognition of unrecognised liabilities of earlier years	-	-	-	-	3.7	-
Excess of planned assets over commitments not recognised in Financial statements	-	5.9	-	-	34.2	-
Expense charged to the consolidated statement of profit and loss	70.2	-	286.0	76.6	-	233.2
Remeasurement of defined benefit obligation recognised in other comprehensive income						
Actuarial loss / (gain) on defined benefit obligation	56.2	-	726.4	(39.7)	-	439.6
Return on plan assets	-	-	(18.0)	-	-	(11.3)
Expense/(income) charged to other comprehensive income	56.2	-	708.4	(39.7)	-	428.3
Reconciliation of defined-benefit obligations						
Obligations as at the beginning of the year	930.7	4,598.6	2,708.4	981.8	4,810.2	2,142.1
Current service cost	-	-	242.4	-	-	211.4
Interest cost	70.2	592.6	204.5	76.6	347.6	168.3
Liability transferred in/ Acquisitions	-	-	17.4	-	-	-
Obligations transferred	-	1.8	-	-	28.9	-
Benefits paid	(87.6)	(507.6)	(227.2)	(88.0)	(588.1)	(253.0)
Obligation transferred to regional provident fund, net of accumulated unrecognised gains	-	(4,685.4)	-	-	-	-
Actuarial (Gains)/Losses on obligations						
due to change in demographic assumptions	-	-	16.4	-	-	(14.6)
due to change in financial assumptions	54.5	-	623.3	31.0	-	299.3
due to experience	1.7	-	86.7	(70.7)	-	154.9
Obligation as at the year end	969.5	-	3,671.9	930.7	4,598.6	2,708.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	March 31, 2017		March 31, 2016	
	Provident Fund (Funded)	Gratuity (Funded)	Provident Fund (Funded)	Gratuity (Funded)
Reconciliation of liability/(asset) recognised in the consolidated balance sheet				
Present value of commitments (as per Actuarial Valuation)	-	3,671.9	4,598.6	2,708.4
Fair value of plan assets	-	(2,348.7)	(4,632.8)	(2,131.2)
Excess of planned assets over commitments not recognised	-	-	(34.2)	-
Net liability recognised in the consolidated balance sheet	-	**1,323.2**	-	**577.2**
Reconciliation of plan assets				
Plan assets as at the beginning of the year	4,632.8	2,131.2	4,806.5	1,867.6
Expected return	598.5	160.9	385.5	146.5
Assets transferred in/ Acquisitions	-	17.4	-	-
Plan assets transferred	1.8	-	28.9	-
Actuarial gain	-	18.0	-	11.3
Employer's Contribution during the year	-	248.4	-	358.8
Employees' Contributions during the year	-	-	-	-
Benefits paid	(507.6)	(227.2)	(588.1)	(253.0)
Funds transferred to regional provident fund	(4,725.5)	-	-	-
Plan assets as at the year end	-	**2,348.7**	**4,632.8**	**2,131.2**

	Year ended March 31, 2017		Year ended March 31, 2016		
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)	Provident Fund (Funded)*
Discount rate	6.81%	In range of 6.81% to 7.74%	7.54%	In range of 7.54% to 7.56%	7.54%
Expected return on plan assets	N.A.	In range of 6.81% to 7.74%	N.A.	In range of 7.54% to 7.56%	8.80%
Expected rate of salary increase	N.A.	In range of 7.00% to 14.50%	N.A.	10.00%	N.A.
Interest rate guarantee	N.A.	N.A.	N.A.	N.A.	8.80%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Morality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal	N.A.	In range of 1.00% to 13.50%	N.A.	8.00%	15% - 18%
Retirement Age (years)	N.A.	58 to 60	N.A.	58 to 60	60

* During the year, the Provident fund balance which was managed by Parent has been transferred to Regional Provident Fund authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	Year ended March 31, 2017		Year ended March 31, 2016	
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Sensitivity Analysis:				
Impact on defined benefit obligation	-	796.9	-	539.4
Delta effect of +1% change in discount rate	(73.2)	(226.5)	(67.6)	(147.5)
Delta effect of -1% change in discount rate	86.0	257.8	79.0	167.4
Delta effect of +1% change in salary escalation rate	-	237.5	-	161.9
Delta effect of -1% change in salary escalation rate	-	(214.1)	-	(145.6)
Delta effect of +1% change in rate of employee turnover	-	(98.2)	-	(27.6)
Delta effect of -1% change in rate of employee turnover	-	110.7	-	30.7
Maturity analysis of projected benefit obligation				
31-Mar-18	87.4	466.6	101.9	415.5
31-Mar-19	100.4	320.2	118.1	252.4
31-Mar-20	115.3	353.9	137.0	267.4
31-Mar-21	132.5	352.3	158.8	290.9
31-Mar-22	152.1	353.2	184.1	305.9
Thereafter	174.8	1,601.0	213.4	1,527.0
The major categories of plan assets are as under:				
Central government securities	-	20.9	-	25.9
Bonds and securities of public sector / financial institutions	-	69.3	-	156.3
Insurer managed funds (Funded with LIC, break-up not available)	-	2,236.3	-	1,940.4
Surplus fund lying uninvested	-	22.2	-	8.6

The contribution expected to be made by the Parent and Indian subsidiaries for gratuity, during financial year ending March 31, 2018 is ₹ 483.1 Million (Previous year ₹ 413.0 Million).

Note 57

Taro Pharmaceutical Industries Ltd and its Israeli subsidiaries are required to make severance or pension payments to dismissed employees and to employees terminating employment under certain other circumstances. Deposits are made with a pension fund or other insurance plans to secure pension and severance rights for the employees in Israel.

Note 58

EMPLOYEE SHARE-BASED PAYMENT PLANS

a) Erstwhile Ranbaxy Laboratories Limited (RLL) had Employee Stock Option Schemes ("ESOSs") namely, Employees Stock Option Scheme -II (ESOS-II), Employees Stock Option Scheme 2005 (ESOS 2005) and Employees Stock Option Plan 2011 (ESOP 2011) for the grant of stock options to the eligible employees and Directors of the Erstwhile RLL and its subsidiaries. ESOS-II had been discontinued from January 17, 2015. The ESOSs is administered by the Compensation Committee ("Committee"). Options are granted at the discretion of the Committee to selected employees depending upon certain criterion. Each option comprises one underlying equity share.

ESOS 2005 provided that the grant price of options would be the latest available closing price on the stock exchange on which the shares of the erstwhile RLL were listed, prior to the date of the meeting of the Committee in which the options were granted. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered. The options vested evenly over a period of five years from the date of grant. Options lapse, if they are not exercised prior to the expiry date, which was ten years from the date of grant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

ESOP 2011 provided that the grant price of options would be the face value of the equity share i.e. ₹ 5 per share. The options vested evenly over a period of three years from the date of grant. Options lapse, if they were not exercised prior to the expiry date, which was three months from the date of the vesting. An ESOP Trust had been formed to administer ESOP 2011. Shares issued to the ESOP Trust were allocated to the eligible employees upon exercise of stock options from time to time.

The Shareholders' Committee of erstwhile RLL had approved issuance of options under the ESOS's as per details given below:

Date of approval	Scheme	Original No. of options approved
June 25, 2003	ESOS-II	4,000,000
June 30, 2005	ESOS 2005	4,000,000
May 9, 2011	ESOP 2011	3,000,000

In accordance with the above approval of issuance of options, stock options have been granted from time to time.

The stock options outstanding as on June 30, 2005 are proportionately adjusted in view of the sub-division of equity shares of the Erstwhile RLL from the face value of ₹ 10 each into 2 equity shares of ₹ 5 each.

Pursuant to the Scheme of Amalgamation, Sun Pharmaceutical Industries Limited ('transferee company') formulated two Employee Stock Option Schemes, namely, (i) SUN Employee Stock Option Scheme-2015 (SUN-ESOS 2015) to administer ESOS 2005 (ii) SUN Employee Stock Option Plan-2015 (SUN-ESOP 2015) to administer ESOP 2011. These scheme provide that the number of transferee options issued shall equal to the product of number of transferor options outstanding on effectiveness of Scheme multiplied by the Share exchange ratio (0.80) and each transferee option shall have an exercise price per equity share equal to transferor option exercise price per equity shares divided by the share exchange ratio (0.80) and fractions rounded off to the next higher whole number. The terms and conditions of ESOS, of transferee company are not less favourable than those of ESOSs of erstwhile RLL. No new grants shall be made under these schemes and these schemes shall operate only for the purpose of administering the exercise of options already granted / vested on an employee pursuant to SUN-ESOS 2015 and SUN-ESOP 2015.

The movement of the options (post split) granted under SUN-ESOS 2015

	March 31, 2017			
	Stock options (numbers)	Range of exercise prices (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year	610,739	270.0-703.0	480.9	2.5
Exercised during the year $	(62,682)	270.0-562.5	500.1	-
Lapsed during the year	(146,379)	270.0-562.5	521.7	-
Outstanding at the end of the year *	401,678	270.0-562.5	462.9	1.9
Exercisable at the end of the year *	401,678	270.0-562.5	462.9	1.9

* Includes options exercised, pending allotment
$ Weighted average share price on the date of exercise ₹ 690.23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

The movement of the options (post split) granted under SUN-ESOS 2015

	March 31, 2016			
	Stock options (numbers)	Range of exercise prices (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year				
Number of options – post-merger of Erstwhile RLL with the transferee company	1,169,545	270.0-703.0	496.0	3.3
No. of options on Account of rounding off of the fraction to the next higher whole number as per the merger Scheme	41	270.0-703.0	496.0	3.3
Total Number of options outstanding	1,169,586	270.0-703.0	496.0	3.3
Exercised during the year $	(447,825)	270.0-703.0	518.9	-
Lapsed during the year	(111,022)	270.0-703.0	479.9	-
Outstanding at the end of the year *	610,739	270.0-703.0	480.9	2.5
Exercisable at the end of the year *	610,739	270.0-703.0	480.9	-

* Includes options exercised, pending allotment

$ Weighted average share price on the date of exercise ₹ 823.63

The movement of the options (post split) granted under SUN-ESOP 2015 for the current year is given below:

	March 31, 2017			
	Stock options (numbers)	Exercise prices (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year	169,913	6.3	6.3	1.1
Forfeited during the year	(11,179)	6.3	6.3	-
Exercised during the year#	(93,015)	6.3	6.3	-
Lapsed during the year	(13,435)	6.3	6.3	-
Outstanding, end of the year *	52,284	6.3	6.3	0.4
Exercisable at the end of the year *	941	6.3	6.3	-

* Includes options exercised, pending allotment

Weighted average share price on the date of exercise ₹ 802.00

	March 31, 2016			
	Stock options (numbers)	Exercise prices (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year				
Number of options – post-merger of Erstwhile RLL with the transferee company	449,430	6.3	6.3	1.7
No. of options on Account of rounding off of the fraction to the next higher whole number as per the merger Scheme	1,368	6.3	6.3	0.9
No of options of certain overseas employees	4,968	6.3	6.3	0.9
Total Number of options outstanding	**455,766**	**6.3**	6.3	**0.9**
Forfeited during the year	(43,326)	6.3	6.3	-
Exercised during the year # ^	(224,201)	6.3	6.3	-
Lapsed during the year	(18,326)	6.3	6.3	-
Outstanding, end of the year	**169,913**	**6.3**	6.3	**1.1**
Exercisable at the end of the year $	40,259	6.3	6.3	0.2

$ Include options exercised, pending allotment.

Shares allotted by the ESOP Trust against the options exercised including 1,066 shares equivalent to 1,333 shares issued by Erstwhile RLL prior to April 10, 2015.

^ Weighted average share price on the date of exercise ₹ 848.68.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

During the current year, the Parent Company has recorded a Stock-based employee compensation expense of ₹ 32.3 Million (Previous Year ₹ 98.8 Million). The amount has been determined under a fair value method wherein the grant date fair value of the options was calculated by using Black Scholes pricing model.

The following table summarizes the assumptions used in calculating the grant date fair value for instrument granted in the year ended March 31, 2015: @@

Particulars	Year ended March 31, 2015
Grant Date	May 08, 2014
Dividend yield	0.43%
Expected life of options from the date(s) of grant	1.25, 2.25 and 3.25 years
Risk free interest rate	8.57% (1.25 years)
	8.65% (2.25 years)
	8.71% (3.25 years)
Expected volatility	40.47%
Grant date fair value	₹ 462.39 (1.25 years)
	₹ 460.79 (2.25 years)
	₹ 459.16 (3.25 years)

@@ Assumptions used are as applicable at the date of grant in the context of erstwhile RLL.

The Black –Scholes option-pricing model was developed for estimating fair value of trade options that have no vesting restrictions and are fully transferable. Since options pricing models require use of subjective assumptions, changes therein can materiality affect fair value of the options. The options pricing models do not necessary provide a reliable measurable of fair value of options. The volatility in the share price is based on volatility of historical stock price of the erstwhile RLL for last 60 months.

(b) As at March 31, 2017, the Parent Company has received an amount of ₹ 0.0 Million (₹ 7,177) towards share application money towards 1,148 equity shares of the Parent Company. The Parent Company will allot these equity shares during the next financial year. The Parent Company has sufficient authorised capital to cover the allotment of these shares. Pending allotment of shares, the amounts are maintained in a designated bank account and are not available for use by the Parent Company.

As at March 31, 2016, the Parent Company has received an amount of ₹ 6.7 Million towards share application money towards 13,780 equity shares of the Parent Company [As at April 01, 2015 ₹ 149.0 Million towards 280,474 equity shares (no. of shares post merger)] at a premium of ₹ 6.7 Million (As at April 01 , 2015: ₹ 148.7 Million). The Parent Company has alloted these equity shares during the next financial year. The Parent Company has sufficient authorised capital to cover the allotment of these shares. Pending allotment of shares, the amounts are maintained in a designated bank account and are not available for use by the Parent Company.

Note 59

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 96.1 Million (Previous Year ₹ 171.0 Million).

Note 60

The Group does not have any material associates or joint ventures warranting a disclosure in respect of individual associates or joint ventures. The Group's share of other comprehensive income is ₹ Nil (March 31, 2016: ₹ Nil) in respect of such associates and joint ventures. The unrecognised share of loss of ₹ Nil (March 31, 2016: ₹ Nil) in respect of such associates and joint ventures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 61

In respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, provision has been made, which would be required to settle the obligation. The said provisions are made as per the best estimate of the management and disclosure as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets" has been given below:

₹ in Million

	As at March 31, 2017			As at March 31, 2016		
	Product and Sales related*	Consultancy charges	Total	Product and Sales related *	Consultancy charges	Total
Opening balance	44,707.6	-	44,707.6	42,725.1	1,184.6	43,909.7
Add: Provision for the year	18,905.5	-	18,905.5	11,758.5	-	11,758.5
Add: Unwinding of discount on provisions	437.8	-	437.8	538.0	-	538.0
Less: Utilisation/Settlement	(15,852.3)	-	(15,852.3)	(12,830.2)	(1,184.6)	(14,014.8)
Add/ (Less): Foreign currency translation difference	(1,295.0)	-	(1,295.0)	2,516.2	-	2,516.2
Closing balance	46,903.6	-	46,903.6	44,707.6	-	44,707.6

* Includes provision for Trade commitments, discounts, rebates, price reduction, product returns, medicaids and contingency provision.

Note 62

Exceptional item for previous year represents charge on account of impairment of certain property, plant and equipment and intangible assets and other related costs and write down of the carrying value of goodwill. This charge had arisen on account of the integration and optimisation exercise being carried out for certain manufacturing facilities. The recoverable amount of the said assets is its value in use which is determined for a period of less than one year.

Note 63

a) Since the US-FDA import alert at Karkhadi facility in March 2014, the Company remained fully committed to implement all corrective measures to address the observations made by the US-FDA with the help of third party consultant. Substantial progress has been made at the Karkhadi facility in terms of completing the action items to address the observations made by the US-FDA in its warning letter issued in May 2014. The Company is continuing to work closely and co-operatively with the US-FDA to resolve the matter. The contribution of this facility to Company's revenues is not significant.

b) The US-FDA, on January 23, 2014, had prohibited using API manufactured at Toansa facility for manufacture of finished drug products intended for distribution in the U.S. market. Consequentially, the Toansa manufacturing facility was subject to certain provisions of the consent decree of permanent injunction entered in January 2012 by erstwhile Ranbaxy Laboratories Ltd (which was merged with Sun Pharmaceutical Industries Ltd in March 2015). In addition, the Department of Justice of the USA ('US DOJ'), United States Attorney's Office for the District of New Jersey had also issued an administrative subpoena dated March 13, 2014 seeking information primarily related to Toansa manufacturing facility for which a Form 483 containing findings of the US-FDA was issued in January 2014. The Company is continuing to fully cooperate and is in dialogue with the US DOJ, and continuing to provide requisite information.

c) In December 2015, the US-FDA issued a warning letter to the manufacturing facility at Halol. Subsequently, a re-inspection was carried out by the US-FDA in November 2016. At the conclusion of the inspection, FDA issued a Form 483 with nine observations. The Company has submitted its response documenting the corrective measures to resolve the 483 observations. The Company is providing regular updates to US-FDA on the progress of the corrective actions. The Company is continuing to manufacture and distribute products to the U.S from Halol facility and at the same time working closely and cooperatively with the US-FDA to resolve the matter.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

d) In September 2013, the US-FDA had put the Mohali facility under import alert and was also subjected to certain provisions of the consent decree of permanent injunction entered in January 2012 by erstwhile Ranbaxy Laboratories Ltd (which was merged with Sun Pharmaceutical Industries Ltd in March 2015). In November 2016, the US-FDA conducted a re-inspection of the Mohali facility post the completion of remediation work at the facility. As a result of this re-inspection, in March 2017, the US-FDA lifted the import alert and indicated that the facility was in compliance with the requirements of cGMP provisions mentioned in the consent decree. The Mohali facility will continue to remain under consent decree under certain other provisions of the decree for a fixed period of time to demonstrate sustainable cGMP compliance.

Note 64

Remuneration to the Managing Director and the Whole-time Director(s) of the Parent Company for the years ended March 31, 2015, March 31, 2016 and March 31, 2017 are higher by ₹ 49.6 Million, ₹ 29.6 Million and ₹ 44.7 Million respectively than the amounts approved by the Central Government of India (Ministry of Corporate Affairs) on applications made by the Parent Company to approve the maximum remuneration as approved by the members of the Company for the three years ended March 31, 2017, in excess of the limits specified under Schedule V to the Companies Act, 2013, in case of inadequacy of profits. The Parent Company has re-represented to the office of the Ministry of Corporate Affairs (MCA) for approval of remuneration within the overall limits approved by the members of the Parent Company for the years ended March 31, 2015 and March 31, 2016, and that for the year ended March 31, 2017, applications for revision in the remuneration, as approved by the members of the Parent Company, has been made to the MCA. The responses in respect of the foregoing re-representation / applications for revision are awaited from the MCA. On receipt of the requisite approvals, the balance amount of remuneration for the aforesaid years, if any, as per their entitlement, shall be paid to the Managing Director and the Whole-time Director(s), as applicable, and the same shall be given effect to in the year in which the approval is received. Excess remuneration, if any, after final approval in respect of the re-representation/applications for revision is received, shall be refunded by the respective Managing Director and the Whole-time Director(s).

Note 65

The Parent Company completed buy-back of 7,500,000 equity shares of ₹ 1 each (representing 0.31% of total pre buy-back paid up equity capital) on October 18, 2016, from the shareholders on a proportionate basis by way of a tender offer at a price of ₹ 900 per equity share for an aggregate amount of ₹ 6,750.0 Million in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buy Back of Securities) Regulations, 1998. This buy-back of equity shares was approved by the Board of Directors of the Parent Company at its meeting held on June 23, 2016.

Note 66

Pursuant to the Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 for amalgamation of erstwhile RLL with the Parent Company as sanctioned by the Hon'ble High Court of Gujarat and Hon'ble High Court of Punjab and Haryana on March 24, 2015 (effective date) all the assets, liabilities and reserves of erstwhile RLL were transferred to and vested in the Parent Company with effect from April 01, 2014, the appointed date. Erstwhile RLL along with its subsidiaries and associates was operating as an integrated international pharmaceutical organisation with business encompassing the entire value chain in the production, marketing and distribution of pharmaceutical products. The scheme was accordingly been given effect to in the Consolidated Financial Statements for the year ended March 31, 2015.

On April 10, 2015, in terms of the Scheme of Arrangement 0.8 equity share of ₹ 1 each (Number of Shares 334,956,764 including 186,516 Shares held by ESOP trust) of the Parent Company has been allotted to the shareholders of erstwhile RLL for every 1 share of ₹ 5 each (Number of Shares 418,695,955 including 233,146 shares held by ESOP trust) held by them in the share capital of erstwhile RLL, after cancellation of 6,967,542 shares of erstwhile RLL. These shares were considered for the purpose of calculation of earnings per share appropriately. The net effect of ₹ 982.5 Million being the difference between the amount recorded as share capital, the amount of the share capital of erstwhile RLL and cancellation of shares of erstwhile RLL has been reduced from Reserves.

Note 67

Pursuant to the declaration executed by the Sun Pharma Laboratories Limited (SPLL), a wholly owned subsidiary, in favour of Trumpcard Advisors and Finvest LLP ('Donee') on March 31, 2017, the power

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undertaking of SPLL ('Donor') has been gifted to Trumpcard Advisors and Finvest LLP. Accordingly, on and with effect from the close of business hours on March 31, 2017, all the assets, movable and immovable, tangible and intangible, along with the liabilities pertaining to the power undertaking stand transferred to and vested in Trumpcard Advisors and Finvest LLP as a going concern without consideration. For this purpose, the net book value on gift of power undertaking has been added to the cost of investment of the SPLL in Vintage Power Generation LLP, being the partner of the Donee.

Note 68

DETAILS OF LONG TERM BORROWINGS AND CURRENT MATURITIES OF LONG TERM DEBT AND FINANCE LEASE OBLIGATIONS [INCLUDED UNDER OTHER FINANCIAL LIABILITIES (CURRENT)]

A Secured Term Loan from banks:

(I) Long term loan of ₹ Nil (March 31, 2016: ₹ Nil, April 01, 2015: USD 5.9 Million - ₹ 368.0 Million) [Included in long term borrowings ₹ Nil (March 31, 2016: ₹ Nil, April 01, 2015 ₹ 311.0 Million) and ₹ Nil (March 31, 2016: ₹ Nil, April 01, 2015: ₹ 57.0 Million) in current maturities of long term debt] which was repayable by October 2020 has been repaid during the year ended March 31, 2016. The loan was secured by building situated at New York, USA.

(II) Loan of ₹ Nil (March 31, 2016: ₹ Nil, April 01, 2015 BRL 0.8 Million - ₹ 16.4 Million) included in long term borrowings ₹ Nil (March 31, 2016: ₹ Nil, April 01, 2015 ₹ 16.4 Million) which was repayable by December 2016 has been repaid during the year ended March 31, 2016. The loan was secured by land and factory building situated at Goiania, Brazil.

B Secured Term Loan from Other Parties:

Secured term loan from department of biotechnology of ₹ 108.2 Million (March 31, 2016: ₹ 77.3 Million, April 01, 2015: ₹ 77.3 Million) has been secured by hypothecation of assets and goods of the Parent Company. The loan is repayable in 10 equal half yearly installments commencing from December 26, 2018, last installment is due on June 26, 2023.

C Lease obligations of ₹ 702.0 Million (March 31, 2016: ₹ 748.5 Million, April 01, 2015: ₹ 24.1 Million) [included in non-current borrowing March 31, 2017: ₹ 662.5 Million (March 31, 2016: ₹ 715.8 Million, April 01, 2015: ₹ 2.2 Million) and March 31, 2017: ₹ 39.5 Million (March 31, 2016: ₹ 32.7 Million and April 01, 2015: ₹ 21.9 Million) in current maturities of long term finance lease obligations] repayable by FY 2019-2025 is secured against assets taken on finance lease.

D Unsecured Term Loan from banks:

(i) Loan of USD 17.5 Million equivalent to ₹ 1,134.2 Million (March 31, 2016: USD 18.2 Million equivalent ₹ 1,206.7 Million, April 01, 2015: USD 18.9 Million equivalent ₹ 1,181.6 Million) [Included in non-current borrowing March 31, 2017: ₹ 1,085.2 Million (March 31, 2016: ₹ 1,158.8 Million, April 01, 2015: ₹ 1,138.3 Million) and March 31, 2017: ₹ 49.0 Million (March 31, 2016: ₹ 47.9 Million, April 01, 2015: ₹ 43.3 Million) in current maturities of long term debt], which is repayable in varying amounts by June 2033. The loan is collateralized by substantially all the assets of Pharmalucence Inc.

(ii) External Commercial Borrowings (ECBs) has 6 loans aggregating of USD 256 Million (March 31, 2016: USD 266 Million, April 01, 2015: USD 288 Million) equivalent to ₹ 16,602.9 Million (March 31, 2016: ₹ 17,625.2 Million, April 01, 2015: ₹ 18,001.4 Million) [(included in long term borrowings ₹ 7,523.2 Million (March 31, 2016: ₹ 15,902.4 Million, April 01, 2015: ₹ 11,625.9 Million) and in current maturities of long term debt ₹ 9,079.7 Million (March 31, 2016: ₹ 1,722.8 Million, April 01, 2015: ₹ 6,375.5 Million))]. For the ECB loans outstanding as at March 31, 2017, the terms of repayment for borrowings are as follows:

a) USD Nil (March 31, 2016: USD Nil, April 01, 2015: USD 50 Million) equivalent to ₹ Nil (March 31, 2016: ₹ Nil, April 01, 2015: ₹ 3,125.2 Million). The loan was taken on August 12, 2010. The outstanding amount has been repaid during the year ended March 31, 2016.

b) USD Nil (March 31, 2016: USD Nil, April 01, 2015: USD 30 Million) equivalent to ₹ Nil (March 31, 2016: ₹ Nil, April 01, 2015: ₹ 1,875.2 Million). The loan was taken on September 9, 2010. The outstanding amount has been repaid during the year ended March 31, 2016.

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c) USD 10 Million (March 31, 2016: USD 20 Million, April 01, 2015: USD 30 Million) equivalent to ₹ 648.6 Million (March 31, 2016: ₹ 1,325.2 Million, April 01, 2015: ₹ 1,875.2 Million). The loan was taken on June 30, 2011 and is repayable in 3 equal installments of USD 10 Million each at the end of 4th year, 5th year and 6th year. Second installment of USD 10 Million has been repaid in current year and first installment of USD 10 Million was repaid during the year ended March 31, 2016. The last installment is due on June 30, 2017.

d) USD 50 Million (March 31, 2016: USD 50 Million, April 01, 2015: USD 50 Million) equivalent to ₹ 3,242.8 Million (March 31, 2016: ₹ 3,313.0 Million, April 01, 2015: ₹ 3,125.2 Million). The loan was taken on September 20, 2012 and is repayable on September 19, 2017.

e) USD 100 Million (March 31, 2016: USD 100 Million, April 01, 2015: USD 100 Million) equivalent to ₹ 6,485.5 Million (March 31, 2016: ₹ 6,626.0 Million, April 01, 2015: ₹ 6,250.5 Million). The loan was taken on June 04, 2013 and is repayable on June 03, 2018.

f) USD Nil (March 31, 2016: USD 16 Million, April 01, 2015: USD 28 Million) equivalent to ₹ Nil (March 31, 2016: ₹ 1,060.2 Million, April 01, 2015: ₹ 1,750.1 Million). Loan of USD 40 Million was taken on March 25, 2011 and was repayable in 3 installments viz., 30% each of the drawn amount at the end of 4th year and 5th year and 40% of the drawn amount at the end of the 6th year. The last installment of USD 16 Million has been repaid in current year. First and Second installment of USD 12 Million each has been repaid in previous years.

g) USD 50 Million (March 31, 2016: USD 50 Million, April 01, 2015: USD Nil) equivalent to ₹ 3,242.8 Million (March 31, 2016: ₹ 3,313.0 Million, April 01, 2015: ₹ Nil) The loan was taken on August 11, 2015 and is repayable on August 11, 2017.

h) USD 30 Million (March 31, 2016: USD 30 Million, April 01, 2015: USD Nil) equivalent to ₹ 1,945.7 Million (March 31, 2016: ₹ 1,987.8 Million, April 01, 2015: ₹ Nil) The loan was taken on September 09, 2015 and is repayable on September 08, 2017.

i) USD 16 Million (March 31, 2016 : USD Nil, April 01, 2015: USD Nil) equivalent to ₹ 1,037.7 Million (March 31, 2016: ₹ Nil, April 01, 2015: ₹ Nil). The loan was taken on March 24, 2017 and is repayable on March 22, 2019.

(iii) Loan under Foreign Currency Non Resident (FCNR B) Scheme of USD 50.0 Million (March 31, 2016: USD 50 Million, April 01, 2015: USD Nil) equivalent to ₹ 3,242.8 Million (March 31, 2016: ₹ 3,313.0 Million, April 01, 2015: ₹ Nil). The loan was taken on August 19, 2015 and is repayable on August 18, 2017.

E Unsecured Debentures:

₹ 10,000.0 Million (March 31, 2016: ₹ 10,000 Million; April 01, 2015: ₹ Nil) Rated unsecured listed redeemable non-convertible debentures at a coupon rate of 7.94% p.a. were issued by Sun Pharma Laboratories Limited ("SPLL" - the Wholly owned subsidiary) on December 23, 2015. Following are the details:

Particulars	Face Value (₹)	Redemption Amount (₹ in Million)	Date of Redemption
Rated Unsecured Listed Redeemable 5,000 Non-Convertible Debentures Series 2	1,000,000	5,000.0	March 22, 2019
Rated Unsecured Listed Redeemable 5,000 Non-Convertible Debentures Series 1	1,000,000	5,000.0	December 22, 2017

F Unsecured Term Loan from Other Parties:

Unsecured loan from other parties amounting to ₹ Nil (March 31, 2016: ₹ Nil, April 01, 2015: ₹ 513.1 Million) of which ₹ Nil (March 31, 2016: ₹ Nil, April 01, 2015: ₹ 497.6 Million) was repayable after August 2016 on demand and balance of ₹ Nil (March 31, 2016: ₹ Nil, April 01, 2015: ₹ 15.5 Million) was repayable after March 2016 on demand. The above loans has been repaid during the year ended March 31, 2016.

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G Term Loan from banks and Debentures (included under current maturities of long term borrowing):

(i) Redeemable non-convertible debentures of ₹ Nil (March 31, 2016: ₹ Nil, April 01, 2015: ₹ 5,000.0 Million) issued on November 23, 2012 for a period of 36 months at a coupon rate of 9.20% p.a. Such debentures were secured by a pari-passu first ranking charge on the Parent Company's specified fixed assets so as to provide a fixed asset cover of 1.25x and were listed on the National Stock Exchange. The loan was taken on November 23, 2012 and has been repaid during the year ended March 31, 2016.

(ii) Unsecured Term Loan of ₹ Nil (March 31, 2016: ₹ Nil, April 01, 2015: ₹ 2,500.0 Million) has been repaid during the year ended March 31, 2016.

The Parent Company has not defaulted on repayment of loan and interest payment thereon during the year.

Note 69

DETAILS OF SECURITIES FOR SHORT TERM BORROWINGS ARE AS UNDER:

First charge has been created on a pari-passu basis, by hypothecation of inventories, trade receivables, outstanding money receivables, claims and bills and other receivables (includes under loans and advances and other assets), both present and future.

Note 70

LOANS/ADVANCES DUE FROM AN ASSOCIATE

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Interest bearing with specified repayment schedule:			
Zenotech Laboratories Limited, India *			
Considered good	-	-	326.8
Considered doubtful	726.9	663.5	274.0
	726.9	663.5	600.8
Less: Allowance for doubtful loan/interest accrued and due on loan	726.9	663.5	274.0
	-	-	326.8

* includes interest accrued and due on loans amounting to ₹ 214.9 Million (March 31, 2016: ₹ 151.5 Million; April 01, 2015: ₹ 88.8 Million).

Loans have been granted to the above entity for the purpose of its business.

Consequent to the amalgamation of erstwhile RLL into the Parent Company as referred in Note 66, Zenotech Laboratories Limited ('Zenotech') had become an associate of the Parent Company. The erstwhile RLL had granted certain loans to Zenotech which were outstanding and inherited by the Parent Company. The Parent Company has not granted any further loans to Zenotech post effective date of amalgamation i.e. March 24, 2015. The balance of this inherited outstanding loan is ₹ 512.0 Million. The Parent Company is in process of evaluating various options in relation to recovery of the outstanding loans and interest thereon of ₹ 214.9 Million (March 31, 2016: ₹ 151.5 Million, April 01, 2015: ₹ 88.8 Million).

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Note 71

DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED OF THE PARENT COMPANY AND SUBSIDIARIES COMPANIES IN INDIA DURING THE PERIOD FROM NOVEMBER 08, 2016 TO DECEMBER 30, 2016 IS AS FOLLOWS:

All amounts in absolute ₹

Particulars	Specified bank notes*	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	2,964,000	5,427,960	8,391,960
Permitted receipts during November 08, 2016 and December 30, 2016	-	14,405,657	14,405,657
Permitted payments during November 08, 2016 and December 30, 2016	(280,500)	(12,794,823)	(13,075,323)
Amount deposited in banks	(2,683,500)	-	(2,683,500)
Closing cash in hand as on December 30, 2016	-	**7,038,794**	**7,038,794**

* Specified bank notes are currency notes of ₹ 500 and ₹ 1000 discontinued vide notification S.O. 3407(E) dated November 08, 2016.

Note 72

The Group has benefited from active grants from Government of Romania and European Union. These grants were received for building, plant and machinery and laboratory equipment. The grant will be amortised in varying periods based on category of asset and from the date when grant is received. Amortisation period ranges from 2 months to 338 months.

Note 73

Property, plant and equipment consisting of land, building, plant and equipment, furniture and fixtures amounting to ₹ 65.9 Million (March 31, 2016: ₹ 71.9 Million, April 01, 2015: ₹ Nil) in respect of the manufacturing facility in Ireland are held for sale. The management expects disposal of these assets in financial year 2017-2018.

Note 74

DISCLOSURE OF A SUBSIDIARY THAT HAS NON-CONTROLLING INTEREST THAT IS MATERIAL TO THE GROUP

Name of Subsidiary	Principal place of business	Country of incorporation	Nature*	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Taro Pharmaceutical Industries Ltd. and its subsidiaries (TARO Group)	United States of America	Israel	Beneficial ownership	27.19%	31.02%	31.13%
			Voting power	18.13%	20.68%	20.76%

* Held by Non-controlling interest

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₹ in Million

Name of Subsidiary	Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests		
	Year ended March 31, 2017	Year ended March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
TARO Group	8,599.9	11,037.8	36,547.7	39,800.3	27,551.9
Individually immaterial subsidiaries with non-controlling interests	218.7	88.2	1,360.9	1,052.2	960.0
Total	**8,818.6**	**11,126.0**	**37,908.6**	**40,852.5**	**28,511.9**

The summarised consolidated financial information of TARO Group before inter-company eliminations:

₹ in Million

Consolidated balance sheet of TARO Group	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non-current assets	34,063.2	27,934.4	24,493.7
Current assets	113,879.1	115,314.4	83,946.8
Non-current liabilities	(277.6)	(256.4)	(556.6)
Current liabilities	(13,248.8)	(14,691.7)	(19,366.3)

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Consolidated Statement of profit and loss of TARO Group		
Total Income	60,748.8	63,350.5
Total Expenses	(23,243.0)	(21,951.6)
Profit after Tax	30,612.9	35,472.4
Total comprehensive income for the year	25,241.9	40,406.9

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Consolidated cash flows information of TARO Group		
Cash flow from operating activities	29,345.5	25,853.2
Cash flow from investing activities	(7,899.4)	(18,629.9)
Cash flow from financing activities	40,268.8	37,737.2

There has been no dividend paid by TARO during the year ended March 31, 2017 and March 31, 2016.

Note 75

(a) Sun Pharma Global FZE, a subsidiary of the Parent Company holds 23.35% in the capital of Enceladus Pharmaceutical B.V. However, as Sun Pharma Global FZE does not have any 'Significant Influence' in Enceladus Pharmaceutical B.V., as is required under Ind AS 28 - "Investment in Associates & Joint Ventures", the said investment in Enceladus Pharmaceutical B.V. has not been consolidated as an "Associate Entity".

(b) The Parent Company holds 24.91% in the capital of Shimal Research Laboratories Limited. However, as the Parent Company does not have any 'Significant Influence' in Shimal Research Laboratories Limited, as is required under Ind AS 28 - "Investment in Associates & Joint Ventures", the said investment in Shimal Research Laboratories Limited has not been consolidated as an "Associate Entity".

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Note 76

FIRST TIME IND AS ADOPTION RECONCILIATION

i Explanation to transition to Ind AS

Ind AS 101 -"First-time Adoption of Indian Accounting Standards" requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS consolidated financial statements which is for the year ended March 31, 2017 for the Group, be applied retrospectively and consistently for all financial years presented. Except for the Group has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as described below. The Group has recognised all assets and liabilities whose recognition is required by Ind AS and has not recognised items of assets or liabilities which are not permitted by Ind AS, reclassified items from previous GAAP to Ind AS as required under Ind AS and applied Ind AS in measurement of recognised assets and liabilities.

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

ii Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

iii Hedge accounting

At the date of transition to Ind AS, the Group has measured all derivatives at fair value and eliminated all deferred losses and gains arising on derivatives that were reported in accordance with previous GAAP as if they were assets or liabilities.

iv Classification and measurement of financial assets

The Group has assessed conditions for classification of the financial assets on the basis of the facts and circumstances that were exist on the date of transition to Ind AS.

v Deemed cost of property, plant and equipment and other intangible assets

On transition to Ind AS, the Parent Company and the Indian subsidiaries have elected to continue with the carrying value of all of its property, plant and equipment and other intangible assets recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and other intangible assets.

vi Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has elected to apply this exemption for its investments in certain equity instruments.

vii Compound financial instruments

Under Ind AS 32, the Group should split compound financial instruments into separate equity and liability components. Ind AS 101 provides that if the liability component is no longer outstanding at the date of transition, a first-time adopter does not have to separate it from the equity component. The Group has elected to apply this exemption for its compound financial instruments.

viii Fair value measurement of financial assets and financial liabilities at initial recognition

The Group has applied the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. This exemption has been availed by the Group.

ix Non - current assets held for sale and discontinued operations

Ind AS 105 requires that asset classified as non - current as per Ind AS 1 are not reclassified as current assets until they meet criteria to be classified as held for sale. The adopter can opt to either value those assets at carrying amount or fair value less cost of sale at the transition date and record any difference between such amount and carrying value directly to retained earnings. The Group has applied for this exemption.

x Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

xi Share-based payment transactions

As per previous GAAP, the Group had applied the fair value recognition and measurement principles similar to those prescribed

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under Ind AS 102 for all options granted before the Transition Date. Consequently, this exemption was not required to be applied.

xii Non-controlling interests

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. Ind AS 110 requires the above requirement to be followed prospectively from the date of transition. Consequently, the group has applied the above requirement prospectively.

xiii Cumulative translation differences on foreign operations

The Group has elected the option to reset the cumulative translation differences on foreign operations that exists as of the transition date to zero.

xiv Excise duty

Under the previous GAAP, excise duty was netted off against sale of products. However, under Ind AS, excise duty is included in sale of products and is separately presented as expense in the consolidated statement of profit and loss.

₹ in Million

	Footnote No.	As at March 31, 2016	As at April 01, 2015
Reconciliation of total equity			
Equity as per previous GAAP *		314,042.2	256,231.9
Add / (Less) : Adjustments for GAAP Differences			
Adjustment for proposed dividend (including corporate dividend tax)	a	2,896.8	8,689.2
Effect of measuring derivative instruments at fair value through profit or loss	b	922.5	823.8
Discount / (Unwinding of discount) on provisions	c	885.1	1,382.3
Recognition of intangible assets not eligible for recognition under previous GAAP	d	30.1	-
Provision for expected credit losses	f	(201.2)	(118.8)
Effect of measuring financial instruments at fair value through OCI	g	4,069.3	6,883.5
Effect of measuring investments at fair value through profit or loss	h	72.8	581.6
Retrospective application of Ind AS 21 to goodwill arising in business combinations occurred before the date of transition to Ind AS	i	5,422.3	4,417.4
Tax impact on Ind AS adjustments (including on unrealised intra group profits on inventories)	j	1,518.8	1,387.3
Other Ind AS adjustments		166.1	136.3
Equity as per Ind AS		**329,824.8**	**280,414.5**

* Equity as per previous GAAP includes share capital, share suspense account and reserves and surplus.

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₹ in Million

	Footnote No.	Year ended March 31, 2016
Reconciliation of total comprehensive income		
Profit for the year as per previous GAAP		47,159.1
Add / (Less) : Adjustments for GAAP Differences		
Effect of measuring derivative instruments at fair value through profit or loss	b	98.7
Effect of measuring investments at fair value through profit or loss	h	(508.8)
Discount / (Unwinding of discount) on provisions	c	(497.2)
Remeasurement of defined benefit obligation recognised in OCI under Ind AS	e	389.7
Recognition of intangible assets not eligible for recognition under previous GAAP	d	30.1
Provision for expected credit losses	f	(82.4)
Tax impact on Ind AS adjustments (including on unrealised intra group profits on inventories)	j	131.5
Other Ind AS adjustments	k	(1,263.6)
Profit for the year as per Ind AS - attributable to the owners of the company		45,457.1
Other comprehensive income (net of tax)		12,794.5
Total comprehensive income pertaining to the owners of the company		**58,251.6**

Effect of Ind AS adoption on the statement of cash flow for the year ended March 31, 2016

₹ in Million

	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	67,693.8	(835.2)	66,858.6
Net cash flows from investing activities	(44,549.1)	833.2	(43,715.9)
Net cash flows from financing activities	(19,243.2)	357.9	(18,885.3)
Net increase in cash and cash equivalents	**3,901.5**	**355.9**	**4,257.4**

Net increase in cash and cash equivalents represents:

(i) Movement in cash credit facilities considered as a component of cash and cash equivalents under Ind AS which as per previous GAAP, was considered as financing activity.

(ii) Consideration paid for obtaining control of subsidiaries / business unit being disclosed as net of cash and cash equivalents acquired as part of such transactions under Ind AS and

(iii) Changes in cash and cash equivalent balances due to equity accounting of joint ventures under Ind AS.

Other Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities and has no impact on the net cash flow for the year ended March 31, 2016 as compared with the previous GAAP.

Footnotes:

a) Proposed Dividend (including corporate dividend tax)

Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Under previous GAAP, dividend proposed was recorded as a provision in the period to which it relates.

b) Derivative instruments at fair value through profit or loss

Under previous GAAP, derivative instruments entered into for hedging the foreign currency fluctuation risk were accounted for on the principles of prudence. Pursuant to this, losses, if any, on Mark to Market basis, were recognised and gains were not recognised. Under Ind AS, gains on derivative instruments have been measured at fair value through profit or loss.

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c) Discounting/(unwinding of discount) on provisions

Under Ind AS, long term provisions are to be measured at present value at the date of transition.

d) Separately acquired intangible assets

Under Ind AS, separately acquired intangible assets shall be capitalised which were not eligible for capitalisation under previous GAAP.

e) Employee benefits

Under previous GAAP, actuarial gains and losses were recognised in consolidated statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability / asset, which is recognised in other comprehensive income in the respective periods.

f) Expected credit loss

Under previous GAAP, the Group had created provision for doubtful debts based on specific amount for incurred losses. Under Ind AS, the allowance for doubtful debts has been determined based on expected credit loss model.

g) Effect of measuring financial instruments at fair value through OCI

Under Ind AS, the Group has measured financial instruments at fair value through OCI, which were not applicable in previous GAAP.

h) Effect of measuring investments at fair value through profit or loss

Under previous GAAP, non current investments were stated at cost less provision, if any, for other than temporary diminution in value. Current investments were valued at lower of cost and fair value. Under Ind AS, gains or losses on investments have been measured at fair value through profit or loss.

i) Retrospective application of Ind AS 21 to goodwill arising in business combinations occurred before the date of transition to Ind AS

Under Ind AS, retrospective application of Ind AS 21 to goodwill arising in business combinations occurred before the date of transition to Ind AS, which has resulted in increase in equity.

j) Tax impact on Ind AS adjustments

In the financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/ liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base. The application of Ind AS has also resulted in recognition of deferred tax on new temporary differences which were not required to be recognised under previous GAAP, including deferred taxes in respect of unrealised intra group profits on inventories.

Further, deferred tax assets on unabsorbed depreciation and carry forward of losses was recognised only to the extent of virtual certainty supported by convincing evidence under previous GAAP as against recognition of such assets under Ind AS to the extent that it is probable that the said assets would be utilised.

k) Other Ind AS adjustments

Other Ind AS adjustments mainly pertains to difference in loss on disposal of foreign subsidiaries, determined under Ind AS as compared to previous GAAP, in view of the Group availing exemption as referred to in note 76(xiii) and difference in treatment of cumulative translation differences on translation of foreign operations.

Note 77

USE OF ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

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1 Fair value measurement of Financial Instruments

When the fair values of financials assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

2 Useful lives of property, plant and equipment and intangible assets (Refer note 2)

Property, plant and equipment and other intangible assets represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

3 Assets and obligations relating to employee benefits (Refer note 56)

The employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

4 Tax expense [Refer Note 2(r)]
Significant judgements are involved in determining the provision for income taxes, if any, including amount expected to be paid/recovered for uncertain tax positions. Further, significant judgement is exercised to ascertain amount of deferred tax asset (DTA) that could be recognised based on the probability that future taxable profits will be available against which DTA can be utilized and amount of temporary difference in which DTA can not be recognised on want of probable taxable profits.

5 Provisions [Refer note 2(n)]

6 Write down in value of inventories (Refer Note 11)

7 Contingencies (Refer note 40)

8 Business combinations (Refer note 78)

9 Impairment of goodwill (Refer note 48)

Note 78

BUSINESS COMBINATIONS

a) Acquisition of plant (Baska, Gujarat) from Unimed Technologies Limited

On March 25, 2017, the Group completed the acquisition of the manufacturing undertaking of Unimed Technologies Limited located at Baska, Gujarat which is engaged in the manufacturing of pharmaceutical products, on a slump sales basis to continue expansion of our business. The acquisition price of ₹ 10.0 Million was paid in cash.

The following assets and liabilities were recognised as at the date of acquisition (at fair value):

₹ In Million

Assets	
Cash and cash equivalents	0.2
Trade receivables	48.0
Inventories	307.7
Other current assets	371.1
Other non-current financial assets	10.6
Capital work-in-progress	522.1
Property, plant and equipment	633.5
	1,893.2
Liabilities	
Trade payables	(748.2)
Provision for employee benefits	(13.7)
Other current financial liabilities	(122.4)
Borrowings	(1,000.0)
	(1,884.3)
Total identifiable assets at fair value	**8.9**
Goodwill	1.0
Total purchase price	**9.9**

The goodwill is tax deductible.

The gross amount of trade receivables acquired have been largely collected.

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There has not been any contribution to group revenue on account of this business purchase. The business acquired has contributed a net loss of ₹ 13.5 Million from the date of acquisition.

b) JSC Biosintez

On December 20, 2016, the Group completed the acquisition of 85.1% shares of JSC Biosintez, a Russian pharmaceutical company focused on the hospital segment with an objective to acquire the product portfolio and local manufacturing capability in Russia which would help in expanding our presence in Russia and serving Russia pharmaceutical market more effectively. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. The goodwill is not tax deductible.

The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹ 1,539.2 Million.

The Group has elected to measure the non-controlling interests in the acquiree at its proportionate share of net assets.

The following assets and liabilities were recognised in the acquisition (at fair value):

	₹ In Million
Assets	
Cash and cash equivalents	2.8
Trade receivables	1,028.5
Inventories	399.9
Other current assets	31.9
Other non-current assets	60.9
Property, plant and equipment	3,522.0
Capital work-in-progress	259.4
Other intangible assets	3.5
Intangible assets under development	69.7
	5,378.6
Liabilities	
Borrowings	(2,617.9)
Trade payables	(706.7)
Other current liabilities	(41.5)
Deferred tax liabilities	(336.2)
	(3,702.3)
Total identifiable assets at fair value	**1,676.3**
Non-controlling interest	14.9%
Non- controlling interest measured at the Group's proportionate share in net assets	(249.7)
Goodwill	112.6
Total purchase price	**1,539.2**

The gross amount of trade receivables acquired have been largely collected.

From the date of acquisition, JSC Biosintez has contributed revenue of ₹ 907.2 million and profit before tax of ₹ 43.0 million to the Group. If the business combinations had taken place at the beginning of the year, revenue would have been ₹ 3,308.7 million and the profit before tax would have been ₹ 216.8 million.

Transaction costs of ₹ 97.9 million have been expensed and are included in other expenses in the consolidated statement of profit and loss.

c) Insite Vision Incorporated

On November 02, 2015, the Group acquired 100% shares of Insite Vision Incorporated along with its subsidiary Insite Vision Limited (together referred as "Insite"). Accordingly, the results of operations for Insite have been included in these consolidated financial statements from that date forward. The Group acquired Insite to facilitate its entry and expansion into the ophthalmic market in the United States. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill. The goodwill is not tax deductible.

The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹ 4,688.4 Million.

The following assets and liabilities were recognised as at the date of acquisition (at fair value):

	₹ In Million
Assets	
Cash and cash equivalents	214.3
Trade receivables	10.5
Other current assets	13.0
Property, plant and equipment	87.5
Intangible assets under development	4,501.9
	4,827.2
Liabilities	
Trade payables	(257.5)
Other current liabilities	(276.1)
	(533.6)
Total identifiable assets at fair value	**4,293.6**
Goodwill	445.0
Total purchase price	**4,738.6**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

The gross amount of trade receivables acquired have been largely collected.

InSite Vision Incorporate had revenue of ₹ 50.7 Million and loss before tax of ₹ 459.4 Million during the five months of 2016. If the business combinations had taken place at the beginning of the year, revenue would have been ₹ 369.1 Million and the loss before tax would have been ₹ 1,561.1 Million.

Transaction costs of ₹ 68.2 million have been expensed and are included in other expenses in the consolidated statement of profit and loss.

d) Acquisition of GSK's opiate business in Australia

On September 01, 2015, the Group completed the acquisition of GlaxoSmithKline's (GSK's) opiates business in Australia, strengthening its active pharmaceutical ingredients (API) and analgesic drug segments. This acquisition also enhances the opiate alkaloids portfolio of the group and depth in global opiates market. The acquisition price of ₹ 6,720.5 million was paid/payable in cash.

The following assets and liabilities were recognised as at the date of acquisition (at fair value):

	₹ In Million
Assets	
Inventories	4,212.5
Property, plant and equipment	2,510.4
Other intangible assets	373.7
	7,096.6
Liabilities	
Provision for employee benefits	(224.7)
Other current liabilities	(151.4)
	(376.1)
Total identifiable assets at fair value	**6,720.5**
Goodwill	-
Total purchase price	**6,720.5**

GSK opiate business had revenue of ₹ 2,063.9 Million and loss of ₹ 281.1 million during the seven months of 2016 and revenue of ₹ 4,744.6 million and loss before tax of ₹ 345.2 Million in the current year.

Transaction costs of ₹ 47.8 Million have been expensed and are included in other expenses in the consolidated statement of profit and loss.

Note 79

a) During the December 2016, the Group acquired a branded oncology product, Odomzo, from Novartis for an upfront payment of USD 175 Million equivalent to ₹ 11,884.3 Million approximately and additional milestone payments.

b) During the year ended March 31, 2016, the Group acquired portfolio consisting of 14 established prescription brands from Novartis AG and Novartis Pharma AG in Japan for a cash consideration of USD 293 Million equivalent to ₹ 19,414.2 Million approximately.

Note 80

a) Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the group financial statements.

b) Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with the consolidated financial statements prepared under Ind AS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(Annexure 'A')

Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures as per Schedule III of Companies Act, 2013:

	Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		2016-17		2016-17		2016-17		2016-17	
		As % of consolidated net assets	₹ In Million	As % of consolidated profit or (loss)	₹ In Million	As % of consolidated OCI	₹ In Million	As % of consolidated TCI	₹ In Million
Parent Entity - Sun Pharmaceutical Industries Limited		51.6	208,715.1	(0.5)	(349.5)	4.8	(633.8)	(1.7)	(983.3)
Subsidiaries									
Indian									
1	Green Eco Development Centre Limited	0.0	1.6	(0.0)	(0.5)	-	-	(0.0)	(0.5)
2	Sun Pharma Laboratories Ltd	48.9	197,557.8	10.9	7,584.3	0.8	(107.0)	13.3	7,477.3
3	Faststone Mercantile Company Private Limited	0.0	11.1	0.0	0.3	-	-	0.0	0.3
4	Neetnav Real Estate Private Limited	0.0	15.2	0.0	0.8	-	-	0.0	0.8
5	Realstone Multitrade Private Limited	0.0	11.1	0.0	0.4	-	-	0.0	0.4
6	Skisen Labs Private Limited	0.0	0.1	(0.0)	(0.0)	-	-	(0.0)	(0.0)
7	Softdeal Trading Company Private Limited	0.0	10.6	0.0	0.4	-	-	0.0	0.4
8	Ranbaxy Drugs Limited	0.5	1,893.4	0.0	0.3	-	-	0.0	0.3
9	Vidyut Investments Limited	0.0	27.4	0.0	2.5	-	-	0.0	2.5
10	Gufic Pharma Limited	0.0	4.5	0.0	0.1	-	-	0.0	0.1
11	Universal Enterprises Private Limited	0.0	5.3	0.0	0.0	-	-	0.0	0.0
12	Sun Pharma Medisales Private Limited (Formerly known as Solrex Pharmaceuticals Company)	0.0	85.0	0.2	118.0	0.0	(0.7)	0.2	117.3
13	Sun Pharmaceutical Medicare Limited	(0.0)	(11.0)	(0.0)	(13.5)	-	-	(0.0)	(13.5)
Foreign									
1	Sun Pharmaceutical (Bangladesh) Limited	0.2	942.2	0.3	219.2	-	-	0.4	219.2
2	Sun Pharmaceutical Industries, Inc. (Consolidated with its Subsidiaries, its associates and a Joint venture)	3.1	12,430.7	(2.3)	(1,594.3)#	-	-	(2.8)	(1,594.3)#
3	Sun Farmaceutica Do Brasil Ltda.	(0.5)	(2,207.3)	0.3	185.1	-	-	0.3	185.1
4	Sun Pharma De Mexico S.A. DE C.V.	0.2	758.1	0.2	118.5	-	-	0.2	118.5
5	SPIL De Mexico S.A. DE C.V.	0.0	0.2	-	-	-	-	-	-
6	Sun Pharmaceutical Peru S.A.C.	(0.0)	(150.0)	(0.0)	(19.9)	-	-	(0.0)	(19.9)
7	OOO "Sun Pharmaceutical Industries" Limited	(0.0)	(182.6)	0.0	12.7	-	-	0.0	12.7
8	Sun Pharma De Venezuela, C.A.	(0.4)	(1,444.5)	(0.5)	(325.3)	-	-	(0.6)	(325.3)
9	Ranbaxy Pharmacie Generiques	(0.4)	(1,658.4)	(0.2)	(173.6)	-	-	(0.3)	(173.6)
10	Ranbaxy (Malaysia) Sdn. Bhd.	0.1	333.4	0.1	86.6	-	-	0.2	86.6
11	Ranbaxy Nigeria Limited	0.1	551.5	(0.2)	(114.2)	-	-	(0.2)	(114.2)
12	Ranbaxy (Netherlands) B.V.	13.2	53,421.2	1.5	1,079.2	-	-	1.9	1,079.2
13	Alkaloida Chemical Company Zrt.	6.1	24,524.0	(1.9)	(1,356.0)	-	-	(2.4)	(1,356.0)
14	Sun Pharmaceuticals UK Limited	(0.0)	(91.4)	(0.0)	(0.8)	-	-	(0.0)	(0.8)
15	Sun Pharmaceutical Industries (Australia) Pty Ltd	0.5	1,975.6	(0.5)	(360.9)	-	-	(0.6)	(360.9)
16	Aditya Acquisition Company Ltd.	0.0	6.0	0.0	5.6	-	-	0.0	5.6
17	Sun Pharmaceutical Industries (Europe) B.V.	(0.0)	(110.5)	0.0	26.9	-	-	0.0	26.9
18	Sun Pharmaceuticals Italia S.R.L.	0.0	40.5	(0.0)	(1.5)	-	-	(0.0)	(1.5)
19	Sun Pharmaceuticals Spain, S.L.U.	-	-	(0.0)	(5.2)	-	-	(0.0)	(5.2)
20	Sun Pharmaceuticals Germany GmbH	(0.0)	(186.0)	(0.0)	(2.4)	-	-	(0.0)	(2.4)
21	Sun Pharmaceuticals France	(0.0)	(17.1)	(0.0)	(4.3)	-	-	(0.0)	(4.3)
22	Sun Pharma Global FZE (Consolidated with a Joint venture)	30.5	123,500.6	21.0	14,620.6 *	27.4	(3,657.4)	19.5	10,963.2*
23	Sun Pharmaceuticals (SA) (Pty) Ltd.	(0.0)	(0.1)	(0.0)	(0.0)	-	-	(0.0)	(0.0)
24	Sun Global Canada Pty. Ltd.	(0.0)	(1.1)	(0.0)	(0.0)	-	-	(0.0)	(0.0)
25	Sun Pharma Philippines, Inc.	(0.1)	(419.5)	(0.2)	(152.5)	-	-	(0.3)	(152.5)
26	Sun Pharmaceuticals Korea Ltd.	0.0	4.2	(0.0)	(0.3)	-	-	(0.0)	(0.3)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

	Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		2016-17		2016-17		2016-17		2016-17	
		As % of consolidated net assets	₹ In Million	As % of consolidated profit or (loss)	₹ In Million	As % of consolidated OCI	₹ In Million	As % of consolidated TCI	₹ In Million
27	Sun Global Development FZE	0.0	181.3	(0.0)	(0.7)	-	-	(0.0)	(0.7)
28	Sun Pharma Japan Ltd.	(0.1)	(443.6)	(0.2)	(117.8)	-	-	(0.2)	(117.8)
29	Sun Pharma HealthCare FZE	0.0	181.0	0.0	2.5	-	-	0.0	2.5
30	Sun Laboratories FZE	(0.1)	(344.7)	(0.2)	(114.3)	-	-	(0.2)	(114.3)
31	Taro Pharmaceutical Industries Ltd. (TARO)	33.2	134,415.9	44.0	30,612.8	12.6	(1,683.7)	51.4	28,929.1
32	Alkaloida Sweden AB	0.0	20.0	0.0	9.6	-	-	0.0	9.6
33	Sun Pharma Switzerland Limited	(0.0)	(21.8)	(0.0)	(27.8)	-	-	(0.0)	(27.8)
34	Ocular Technologies	0.6	2,626.6	3.9	2,713.8	-	-	4.8	2,713.8
35	Sun Pharma Holdings	50.4	203,802.5	(0.0)	(9.7)	-	-	(0.0)	(9.7)
36	Sun Pharma East Africa Limited	(0.0)	(71.5)	(0.0)	(32.2)	-	-	(0.1)	(32.2)
37	Sun Pharma ANZ Pty Ltd (Formerly known as Ranbaxy Australia Pty Ltd)	(0.1)	(429.7)	0.0	34.8	-	-	0.1	34.8
38	Ranbaxy Farmaceutica Ltda.	(0.3)	(1,070.3)	0.1	87.3	-	-	0.2	87.3
39	Ranbaxy Pharmaceuticals Canada Inc.	0.1	332.7	(0.1)	(64.1)	-	-	(0.1)	(64.1)
40	Ranbaxy Egypt LLC	0.1	265.7	(0.1)	(95.4)	-	-	(0.2)	(95.4)
41	Rexcel Egypt LLC	(0.0)	(10.9)	(0.0)	(11.8)	-	-	(0.0)	(11.8)
42	Office Pharmaceutique Industriel Et Hospitalier	0.0	78.6	0.0	14.5	-	-	0.0	14.5
43	Basics GmbH	0.2	842.2	0.1	41.2	-	-	0.1	41.2
44	Ranbaxy GmbH	0.0	1.7	-	-	-	-	-	-
45	Ranbaxy Ireland Limited	0.1	505.2	0.2	146.8	-	-	0.3	146.8
46	Ranbaxy Italia S.P.A.	0.0	19.8	(0.0)	(33.9)	0.0	(2.5)	(0.1)	(36.4)
47	Sun Pharmaceutical Industries S.A.C. (Formerly known as Ranbaxy - PRP (Peru) S.A.C.)	(0.0)	(94.5)	(0.0)	(22.2)	-	-	(0.0)	(22.2)
48	Ranbaxy (Poland) Sp. Z o.o.	0.0	156.9	0.0	11.0	-	-	0.0	11.0
49	S. C. Terapia S.A.	2.6	10,409.9	3.2	2,237.1	-	-	4.0	2,237.1
50	AO Ranbaxy (Formerly Known ZAO Ranbaxy)	0.2	987.2	0.2	143.0	-	-	0.3	143.0
51	JSC Biosintez	0.4	1,703.7	0.0	25.1	-	-	0.0	25.1
52	Ranbaxy South Africa Proprietary Limited (Consolidated with its Subsidiary)	0.2	852.4	0.4	308.1	-	-	0.5	308.1
53	Ranbaxy Pharmaceutical Proprietary Limited	(0.3)	(1,035.4)	0.3	186.9	-	-	0.3	186.9
54	Be- Tabs Investments Proprietary Limited	0.0	17.3	0.0	0.1	-	-	0.0	0.1
55	Laboratorios Ranbaxy, S.L.U.	0.1	248.6	0.2	104.9	-	-	0.2	104.9
56	Ranbaxy (U.K.) Limited	0.3	1,164.6	0.1	63.2	-	-	0.1	63.2
57	Ranbaxy Holdings (U.K.) Limited	0.6	2,480.0	(0.0)	(1.0)	-	-	(0.0)	(1.0)
58	Ranbaxy Europe Limited	0.0	148.1	0.0	0.0	-	-	0.0	0.0
59	Ranbaxy Inc. (Consolidated with its Subsidiaries)	9.4	38,000.0	7.6	5,297.3	-	-	9.4	5,297.3
60	Sun Pharmaceuticals Holdings USA, INC	5.1	20,673.7	0.0	0.1	-	-	0.0	0.1
61	Ranbaxy (Thailand) Company Limited	0.0	160.8	(0.1)	(91.1)	-	-	(0.2)	(91.1)
62	Sun Pharmaceuticals Morocco LLC (Formerly known as Ranbaxy Morocco LLC)	(0.0)	(40.2)	0.1	81.7	-	-	0.1	81.7
63	"Ranbaxy Pharmaceuticals Ukraine" LLC	0.0	107.4	0.0	27.1	-	-	0.0	27.1
Non controlling interest in all subsidiaries		9.4	37,908.6	(12.7)	(8,818.6)	(11.5)	1,534.3	(12.9)	(7,284.3)
Associate (Investment as per the equity method)									
Indian									
1	Zenotech Laboratories Limited	-	-	-	-	-	-	-	-
Foreign Joint Ventures (Investment as per equity method)									
1	MSD - Sun LLC (Consolidated with its subsidiary)	0.0	0.7	-	-	-	-	-	-
Intercompany Elimination and Consolidation Adjustments		(165.9)	(670,772.1)	24.9	17,348.6	65.9	(8,786.8)	15.2	8,561.8
Total		**100.0**	**404,305.3**	**100.0**	**69,643.7**	**100.0**	**(13,337.6)**	**100.0**	**56,306.1**

\# Includes share of profit and share of TCI, from its associates and a joint venture of ₹ 101.8 million

* Includes share of loss and share of TCI, from a joint venture of ₹ 2.5 million

The above amounts / percentage of net assets and net profit or (loss) in respect of the Parent Company, its subsidiaries, associates and joint ventures are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations / consolidation adjustments.

Refer note 39 (e)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(Annexure 'A')

Disclosure of additional information pertaining to the Parent Company, subsidiaries, associates and joint ventures as per Schedule III of Companies Act, 2013:

	Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2015-16		2015-16		2015-16		2015-16	
		As % of consolidated net assets	₹ In Million	As % of consolidated profit or (loss)	₹ In Million	As % of consolidated OCI	₹ In Million	As % of consolidated TCI	₹ In Million
Parent Entity - Sun Pharmaceutical Industries Limited		59.1	218,907.0	(23.9)	(10,875.1)	(1.9)	(247.9)	(19.1)	(11,123.0)
Subsidiaries									
Indian									
1	Green Eco Development Centre Limited	(0.0)	(3.8)	(0.0)	(0.0)	-	-	(0.0)	(0.0)
2	Sun Pharma Laboratories Ltd	51.9	192,535.8	13.8	6,256.9	(0.6)	(79.6)	10.6	6,177.3
3	Faststone Mercantile Company Private Limited	0.0	10.8	0.0	0.1	-	-	0.0	0.1
4	Neetnav Real Estate Private Limited	0.0	15.1	0.0	1.0	-	-	0.0	1.0
5	Realstone Multitrade Private Limited	0.0	10.8	0.0	0.1	-	-	0.0	0.1
6	Skisen Labs Private Limited	0.0	0.1	(0.3)	(155.8)	-	-	(0.3)	(155.8)
7	Softdeal Trading Company Private Limited	0.0	10.1	0.0	0.1	-	-	0.0	0.1
8	Ranbaxy Drugs Limited	0.1	215.9	0.0	0.4	-	-	0.0	0.4
9	Vidyut Investments Limited	0.0	24.8	0.0	1.1	-	-	0.0	1.1
10	Gufic Pharma Limited	0.0	4.2	0.0	0.2	-	-	0.0	0.2
11	Universal Enterprises Private Limited	0.0	5.3	0.0	0.0	-	-	0.0	0.0
12	Sun Pharmaceutical Medicare Limited	0.5	1,834.1	0.3	124.1	(0.0)	(1.1)	0.2	123.0
Foreign									
1	Sun Pharmaceutical (Bangladesh) Limited	0.2	721.1	0.4	162.5	-	-	0.3	162.5
2	Sun Pharmaceutical Industries, Inc. (Consolidated with its Subsidiaries, its associates and a Joint venture)	4.0	14,895.4	(2.1)	(950.4)[#]	-	-	(1.6)	(950.4)[#]
3	Sun Farmaceutica Do Brasil Ltda.	(0.6)	(2,153.1)	(1.3)	(603.4)	-	-	(1.0)	(603.4)
4	Sun Pharma De Mexico S.A. DE C.V.	0.2	710.1	0.4	173.2	-	-	0.3	173.2
5	SPIL De Mexico S.A. DE C.V.	0.0	0.2	-	-	-	-	-	-
6	Sun Pharmaceutical Peru S.A.C.	(0.0)	(127.9)	(0.1)	(29.7)	-	-	(0.1)	(29.7)
7	OOO "Sun Pharmaceutical Industries" Limited	(0.0)	(165.0)	(0.3)	(123.3)	-	-	(0.2)	(123.3)
8	Sun Pharma De Venezuela, C.A.	(0.3)	(1,152.5)	(1.7)	(761.7)	-	-	(1.3)	(761.7)
9	Ranbaxy Pharmacie Generiques	(0.4)	(1,623.8)	(0.3)	(125.8)	-	-	(0.2)	(125.8)
10	Ranbaxy (Malaysia) Sdn. Bhd.	0.1	294.0	(0.8)	(358.1)	-	-	(0.6)	(358.1)
11	Ranbaxy Nigeria Limited	0.3	1,055.6	0.2	104.8	-	-	0.2	104.8
12	Ranbaxy (Netherlands) B.V.	14.3	52,964.2	(7.3)	(3,326.5)	-	-	(5.7)	(3,326.5)
13	Alkaloida Chemical Company Zrt.	7.1	26,395.3	(1.5)	(685.7)	-	-	(1.2)	(685.7)
14	Sun Pharmaceuticals UK Limited	(0.0)	(107.0)	(0.0)	(21.2)	-	-	(0.0)	(21.2)
15	Sun Pharmaceutical Industries (Australia) Pty Ltd	0.6	2,394.6	(0.5)	(246.8)	-	-	(0.4)	(246.8)
16	Aditya Acquisition Company Ltd.	0.0	0.1	0.0	8.6	-	-	0.0	8.6
17	Sun Pharmaceutical Industries (Europe) B.V.	(0.0)	(148.8)	0.0	15.9	-	-	0.0	15.9
18	Sun Pharmaceuticals Italia S.R.L.	(0.1)	(379.6)	(0.1)	(40.8)	-	-	(0.1)	(40.8)
19	Sun Pharmaceuticals Spain, S.L.U.	(0.1)	(370.7)	(0.2)	(80.3)	-	-	(0.1)	(80.3)
20	Sun Pharmaceuticals Germany GmbH	(0.1)	(204.7)	0.0	5.9	-	-	0.0	5.9
21	Sun Pharmaceuticals France	(0.0)	(15.0)	0.0	1.6	-	-	0.0	1.6
22	Sun Pharma Global FZE (Consolidated with a Joint venture)	31.1	115,361.9	52.7	23,968.2[@]	(22.0)	(2,820.8)	36.3	21,147.4[@]
23	Sun Pharmaceuticals (SA) (Pty) Ltd.	(0.0)	(0.1)	(0.0)	(0.0)	-	-	(0.0)	(0.0)
24	Sun Global Canada Pty. Ltd.	(0.0)	(1.2)	(0.0)	(0.2)	-	-	(0.0)	(0.2)
25	Sun Pharma Philippines, Inc.	(0.1)	(308.9)	(0.3)	(131.1)	-	-	(0.2)	(131.1)
26	Sun Pharmaceuticals Korea Ltd.	0.0	4.5	(0.0)	(0.2)	-	-	(0.0)	(0.2)
27	Sun Global Development FZE	0.1	185.9	(0.0)	(0.7)	-	-	(0.0)	(0.7)
28	Sun Pharma Japan Ltd.	(0.1)	(339.6)	(0.2)	(98.7)	-	-	(0.2)	(98.7)
29	Sun Pharma HealthCare FZE	0.0	182.5	(0.0)	(0.1)	-	-	(0.0)	(0.1)

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	Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2015-16		2015-16		2015-16		2015-16	
		As % of consolidated net assets	₹ In Million	As % of consolidated profit or (loss)	₹ In Million	As % of consolidated OCI	₹ In Million	As % of consolidated TCI	₹ In Million
30	Sun Laboratories FZE	(0.1)	(238.2)	(1.9)	(847.6)	-	-	(1.5)	(847.6)
31	Taro Pharmaceutical Industries Ltd. (TARO)	34.6	128,300.9	78.0	35,474.4	38.5	4,931.3	69.4	40,405.7
32	Alkaloida Sweden AB	(0.0)	(45.9)	0.0	11.3	-	-	0.0	11.3
33	Sun Pharma Switzerland Limited	0.0	5.4	(0.0)	(0.5)	-	-	(0.0)	(0.5)
34	Sun Pharma Holdings	61.2	226,846.2	(0.0)	(3.1)	-	-	(0.0)	(3.1)
35	Sun Pharma East Africa Limited	(0.0)	(42.4)	(0.1)	(40.8)	-	-	(0.1)	(40.8)
36	Sun Pharma ANZ Pty Ltd (Formerly known as Ranbaxy Australia Pty Ltd)	(0.2)	(892.8)	0.1	33.6	-	-	0.1	33.6
37	Ranbaxy Belgium N.V.	-	-	0.0	3.2	-	-	0.0	3.2
38	Ranbaxy Farmaceutica Ltda.	(0.3)	(1,036.7)	(0.9)	(416.8)	-	-	(0.7)	(416.8)
39	Ranbaxy Pharmaceuticals Canada Inc.	0.1	414.4	0.2	79.4	-	-	0.1	79.4
40	Ranbaxy Egypt LLC	0.0	8.8	(0.4)	(161.1)	-	-	(0.3)	(161.1)
41	Rexcel Egypt LLC	(0.0)	(6.6)	(0.0)	(1.9)	-	-	(0.0)	(1.9)
42	Office Pharmaceutique Industriel Et Hospitalier	0.0	70.5	0.0	3.5	-	-	0.0	3.5
43	Basics GmbH	0.2	872.6	(0.2)	(69.1)	-	-	(0.1)	(69.1)
44	Ranbaxy GmbH	0.0	1.9	-	-	-	-	-	-
45	Ranbaxy Ireland Limited	0.3	963.3	(0.8)	(345.8)	-	-	(0.6)	(345.8)
46	Ranbaxy Italia S.P.A.	0.0	58.7	(0.8)	(345.5)	-	-	(0.6)	(345.5)
47	Sun Pharmaceutical Industries S.A.C. (Formerly known as Ranbaxy - PRP (Peru) S.A.C.)	(0.0)	(71.4)	(0.0)	(22.7)	-	-	(0.0)	(22.7)
48	Ranbaxy (Poland) Sp. Z o.o.	0.0	156.6	0.0	16.0	-	-	0.0	16.0
49	Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda	-	-	(0.0)	(1.6)	-	-	(0.0)	(1.6)
50	S. C. Terapia S.A.	2.5	9,204.4	4.3	1,945.0	-	-	3.3	1,945.0
51	AO Ranbaxy (Formerly Known ZAO Ranbaxy)	0.2	703.8	0.5	205.9	-	-	0.4	205.9
52	Ranbaxy South Africa Proprietary Limited (Consolidated with its Subsidiary)	0.1	553.5	0.4	183.3	-	-	0.3	183.3
53	Ranbaxy Pharmaceutical Proprietary Limited	(0.3)	(1,131.3)	(2.9)	(1,325.8)	-	-	(2.3)	(1,325.8)
54	Be- Tabs Investments Proprietary Limited	0.0	15.9	(0.0)	(2.0)	-	-	(0.0)	(2.0)
55	Laboratorios Ranbaxy, S.L.U.	0.0	162.8	0.4	183.6	-	-	0.3	183.6
56	Ranbaxy (U.K.) Limited	0.4	1,304.8	0.7	334.8	-	-	0.6	334.8
57	Ranbaxy Holdings (U.K.) Limited	0.8	2,925.9	(0.0)	(0.9)	-	-	(0.0)	(0.9)
58	Ranbaxy Europe Limited	0.0	174.6	0.0	15.7	-	-	0.0	15.7
59	Ranbaxy Inc. (Consolidated with its Subsidiaries)	9.1	33,590.2	8.6	3,905.3	-	-	6.7	3,905.3
60	Ranbaxy (Thailand) Company Limited	0.0	65.0	0.0	0.9	-	-	0.0	0.9
61	Sun Pharmaceuticals Morocco LLC (Formerly known as Ranbaxy Morocco LLC)	(0.0)	(124.5)	(0.0)	(19.0)	-	-	(0.0)	(19.0)
62	"Ranbaxy Pharmaceuticals Ukraine" LLC	0.0	86.5	0.1	25.0	-	-	0.0	25.0
	Non Controlling Interest in all subsidiaries	11.0	40,852.5	(24.5)	(11,126.0)	(12.2)	(1,558.9)	(21.8)	(12,684.9)
	Associates (Investment as per the equity method)								
	Indian								
1	Zenotech Laboratories Limited	-	-	-	-	-	-	-	-
	Foreign								
2	Daiichi Sankyo (Thailand) Ltd.	0.1	444.5	0.0	3.3	-	-	0.0	3.3
	Foreign Joint Ventures (Investment as per the equity method)								
2	MSD - Sun LLC (Consolidated with its subsidiary)	0.0	0.7	0.4	180.4	-	-	0.3	180.4
	Intercompany Elimination and Consolidation Adjustments	(187.5)	(695,155.0)	11.8	5,373.6	98.3	12,571.5	30.8	17,945.1
	Total	**100.0**	**370,677.3**	**100.0**	**45,457.1**	**100.0**	**12,794.5**	**100.0**	**58,251.6**

\# Includes share of profit and share of TCI, from its associates and a joint venture of ₹ 156.0 million

@ Includes share of loss and share of TCI, from a joint venture of ₹ 13.2 million

The above amounts / percentage of net assets and net profit or (loss) in respect of the Parent Company, its subsidiaries, associates and joint ventures are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations / consolidation adjustments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(Annexure 'B')

Ind AS- 24 - " RELATED PARTY DISCLOSURES "

Names of related parties where there are transactions and description of relationships

a Key Managerial Personnel

Dilip S. Shanghvi	Managing Director
Sudhir V. Valia	Executive Director
Sailesh T. Desai	Executive Director
Israel Makov	Chairman and Non- Executive Director
Kalyansundaram Subramanian (w.e.f. February 14, 2017)	Executive Director
S. Mohanchand Dadha	Non- Executive Director
Hasmukh S. Shah	Non- Executive Director
Keki M. Mistry	Non- Executive Director
Ashwin S. Dani	Non- Executive Director
Rekha Sethi	Non- Executive Director

b Relatives of Key Managerial Personnel

Aalok Shanghvi
Vidhi Shanghvi

c Enterprise under control of Key Managerial Personnel or their relatives

Makov Associates Ltd
Shantilal Shanghvi Foundation
Dadha Pharma Pvt. Ltd.

d Enterprise under significant Influence of Key managerial Personnel or their relatives

Sun Pharma Advanced Research Company Ltd
Sun Petrochemicals Pvt Ltd
Alfa Infraprop Pvt. Ltd.
PV Power Technologies Pvt. Ltd.

e Joint Venture

S & I Ophthalmic LLC

f Associates

Zenotech Laboratories Limited
Daiichi Sankyo (Thailand) Ltd.
Medinstill LLC
Frazier Healthcare VII, L.P.
Versant Venture Capital V, L.P.
scPharmaceuticals Inc.
Trumpcard Advisors and Finvest LLP
Generic Solar Power LLP

g Unconsolidated Subsidiary

Foundation for Disease Elimination and Control of India

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

Particulars	March 31, 2017	March 31, 2016
Purchase of goods	**28.2**	**21.7**
Associates	12.9	20.6
Enterprise under significant Influence of Key managerial Personnel or their relatives	15.3	1.1
Purchase of Property, Plant and Equipment and other intangible assets	**885.4**	**4.0**
Enterprise under significant Influence of Key managerial Personnel or their relatives	885.4	4.0
Sale of goods	**103.4**	**881.9**
Associates	38.8	871.9
Enterprise under significant Influence of Key managerial Personnel or their relatives	64.6	10.0
Sale of Property, Plant and Equipment and other intangible assets	-	**0.4**
Enterprise under significant Influence of Key managerial Personnel or their relatives	-	0.4
Receiving of Service	**1,296.6**	**1,616.3**
Enterprise under control of Key managerial Personnel or their relatives	283.0	506.2
Enterprise under significant Influence of Key managerial Personnel or their relatives	1,013.6	1,110.1
Reimbursement of Expenses Paid	**17.7**	**61.7**
Associates	2.8	-
Key managerial personnel (₹ 45,815)	0.0	-
Enterprise under significant Influence of Key managerial Personnel or their relatives	14.9	61.7
Rendering of Service	**147.8**	**558.3**
Joint Venture (March 31, 2016 : ₹ 44,016)	11.6	0.1
Associates	-	3.2
Enterprise under significant Influence of Key managerial Personnel or their relatives	136.2	555.0
Reimbursement of Expenses Received	**290.1**	**41.6**
Enterprise under significant Influence of Key managerial Personnel or their relatives	289.8	41.6
Unconsolidated Subsidiary	0.3	-
Purchase of Investment in Associates and Joint Venture and Unconsolidated Subsidiary	**1,856.1**	**1,071.6**
Associates (Refer Note 67)	1,856.0	744.5
Joint Venture	-	327.1
Unconsolidated Subsidiary	0.1	-
Interest Income	**70.4**	**69.9**
Associates	70.4	69.9
Lease Rental and Hire Charges	**51.1**	**48.7**
Enterprise under significant influence of key managerial personnel or their relatives	51.1	48.7
Provision for doubtful Loans and Interest accrued and due on Loans	**63.4**	**389.5**
Associates	63.4	389.5
Remuneration	**294.9**	**255.4**
Key Managerial Personnel (Refer note 64)	281.6	242.4
Relatives of key Managerial personnel	13.3	13.0
Director's Sitting Fees	**9.5**	**8.0**
Corporate Social Responsibility Expense	**52.1**	-
Enterprise under control of Key Managerial Personnel or their relatives	52.1	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balance Outstanding as at the end of the year			
Receivables	**1,130.4**	**669.0**	**624.9**
Joint Venture	-	0.9	1.3
Associates	-	1.8	-
Enterprise under significant influence of key managerial personnel or their relatives	1,129.6	666.3	623.6
Unconsolidated Subsidiary	0.8	-	-
Payables	**833.8**	**176.1**	**350.8**
Associates	137.7	13.5	32.1
Key managerial personnel	153.7	102.3	119.6
Relatives of key managerial personnel	0.6	2.4	1.2
Enterprise under control of Key managerial Personnel or their relatives	126.0	57.9	166.4
Enterprise under significant influence of key managerial personnel or their relatives	415.8	-	31.5
Deposit Received	-	**66.2**	**66.2**
Enterprise under significant influence of key managerial personnel or their relatives	-	66.2	66.2
Loan Given	**454.0**	-	**326.8**
Associates *	454.0	-	326.8

* Net of Provision for doubtful loans and interest accrued and due on loans thereof ₹ 726.9 Million [March 31, 2016 : ₹ 663.5 Million ; April 01, 2015: ₹ 274.0 Million] (Refer Note 70)

Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amount provided on the basis of actuarial valuation, the same is not included above and there is no Share-based payments to key managerial personnel of Company.

Disclosure in respect of material transaction with related parties.

₹ in Million

Particulars	March 31, 2017	March 31, 2016
Purchase of goods		
Zenotech Laboratories Limited	12.9	20.5
Sun Pharma Advanced Research Company Ltd	10.9	1.1
Purchase of Property, Plant and Equipment and other intangible assets		
Sun Pharma Advanced Research Company Ltd	885.4	4.0
Sale of goods		
Daiichi Sankyo (Thailand) Ltd.	38.8	871.9
Sun Pharma Advanced Research Company Ltd	64.6	10.0
Sale of Property, Plant and Equipment and other intangible assets		
Sun Petrochemicals Pvt Ltd	-	0.4
Receiving of Service		
Sun Pharma Advanced Research Company Ltd	1,013.6	1,368.7
Makov Associates Ltd	283.0	247.6
Reimbursement of Expenses Paid		
Sun Pharma Advanced Research Company Ltd	14.9	61.7
Rendering of Service		
Sun Pharma Advanced Research Company Ltd	136.2	555.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

Particulars	March 31, 2017	March 31, 2016
Reimbursement of Expenses Received		
Sun Pharma Advanced Research Company Ltd	289.8	41.6
Purchase of Investment in Associates and Joint Venture and Unconsolidated Subsidiary		
Frazier Healthcare VII, L.P.	269.6	412.7
Versant Venture Capital V, L.P.	402.0	331.8
scPharmaceuticals Inc.	871.9	-
S & I Ophthalmic LLC	-	327.1
Interest Income		
Zenotech Laboratories Limited	70.4	69.9
Lease Rental and Hire Charges		
Alfa Infraprop pvt. Ltd.	46.8	47.3
Provision for doubtful Loans and Advances		
Zenotech Laboratories Limited	63.4	389.5
Remuneration		
Key managerial personnel		
Dilip S. Shanghvi @	151.5	135.3
Sailesh T. Desai	31.6	12.1
Sudhir V. Valia #	91.8	95.0
Relatives of key managerial personnel		
Aalok D. Shanghvi	12.1	12.1
Director's Sitting Fees		
S. Mohanchand Dadha	2.0	1.8
Hasmukh S. Shah	1.7	1.9
Corporate Social Responsibility Expense		
Shantilal Shanghvi Foundation	52.1	-

@ Net of Refund of ₹ Nil (March 31, 2016 ₹ 1.1 Million) in respect of excess remuneration paid for financial year 2013 -14.

Net of Refund of ₹ Nil (March 31, 2016 ₹ 1.0 Million) in respect of excess remuneration paid for financial year 2013 -14.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

FORM AOC - 1

PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF COMPANIES ACT, 2013 WITH THE RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

₹ In Million

Part "A": Subsidiaries

Sr No	Name of the Subsidiary Company	Date since when subsidiary was acquired	Reporting Currency	Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Shareholding
1	Green Eco Development Centre Limited	12.11.2010	INR	1.00	7.0	(5.4)	1.7	0.1	-	-	(0.5)	-	(0.5)	-	100.00%
2	Sun Pharmaceutical (Bangladesh) Limited	29.03.2001	BDT	0.81	48.4	893.8	1,298.6	356.4	-	1,351.5	327.5	119.6	207.9	-	72.50%
3	Sun Pharmaceutical Industries, Inc.	14.06.2011	USD	64.86	13,856.9	(16,970.6)	53,082.4	56,196.1	5,085.6	27,948.8	(9,047.8)	(3,223.7)	(5,824.0)	-	100.00%
4	Sun Farmaceutica do Brasil Ltda.	22.05.2009	BRL	20.59	114.8	(2,322.0)	780.2	2,987.5	-	1,107.1	199.5	-	199.5	-	100.00%
5	Sun Pharma De Mexico S.A. DE C.V.	03.12.2002	MXN	3.47	3.5	764.0	858.4	90.9	-	1,131.6	173.8	59.0	114.9	-	75.00%
6	SPIL De Mexico S.A. DE C.V.	13.02.2002	MXN	3.47	0.2	-	0.2	-	-	-	-	-	-	-	100.00%
7	Sun Pharmaceutical Peru S.A.C.	27.06.2006	PEN	19.96	0.0	(154.9)	0.2	155.0	-	-	(27.0)	-	(27.0)	-	99.33%
8	OOO "Sun Pharmaceutical Industries" Limited	12.11.2007	RUB	1.16	0.1	(171.5)	42.1	213.5	-	143.0	(20.5)	5.1	(25.6)	-	100.00%
9	Sun Pharma De Venezuela, C.A.	06.11.2011	VEF	6.49	0.3	(1,444.8)	1.1	1,445.6	-	6.5	(314.7)	-	(314.7)	-	100.00%
10	Chattem Chemicals Inc.	24.11.2008	USD	64.86	2,233.2	1,436.2	3,852.4	183.0	-	1,481.3	(143.2)	(47.6)	(95.6)	-	100.00%
11	The Taro Development Corporation	20.09.2010	USD	64.86	0.0	(0.4)	1,287.7	1,288.1	-	-	(0.0)	-	(0.0)	-	100.00%
12	Alkaloida Chemical Company Zrt.	05.08.2005	USD	64.86	5,789.0	18,735.1	36,837.3	12,313.2	-	1,561.8	(1,311.6)	-	(1,311.6)	-	99.99%
13	Sun Pharmaceuticals UK Limited	20.06.2005	GBP	80.83	0.1	(91.6)	0.3	91.8	-	46.2	(0.8)	-	(0.8)	-	100.00%
14	Sun Pharmaceutical Industries (Australia) Pty Ltd	11.03.2008	AUD	49.61	2,710.9	(735.1)	8,898.9	6,923.1	-	5,176.3	(359.7)	-	(359.7)	-	100.00%
15	Aditya Acquisition Company Ltd.	22.04.2007	ILS	17.84	0.0	6.0	47.0	41.0	-	184.7	8.1	2.2	5.9	-	100.00%
16	Sun Pharmaceutical Industries (Europe) B.V.	29.06.2007	EURO	69.30	1.2	(111.7)	425.9	536.4	-	466.0	26.5	-	26.5	-	100.00%
17	Sun Pharmaceuticals Italia S.R.L.	14.04.2008	EURO	69.30	0.7	39.8	41.2	0.7	-	174.7	(1.4)	-	(1.4)	-	100.00%
18	Sun Pharmaceuticals Spain, S.L.U.	27.04.2009	EURO	69.30	0.2	(346.6)	1.0	347.4	-	-	(4.8)	-	(4.8)	-	100.00%
19	Sun Pharmaceuticals Germany GmbH	11.08.2008	EURO	69.30	1.7	(187.7)	760.5	946.5	-	462.0	10.6	8.1	2.5	-	100.00%
20	Sun Pharmaceuticals France	10.02.2009	EURO	69.30	2.6	(19.7)	165.5	182.6	-	109.1	(3.3)	-	(3.3)	-	100.00%
21	Sun Pharma Global FZE	25.11.2008	USD	64.86	267.5	123,233.1	132,393.3	8,892.6	2,888.9	35,588.7	10,623.1	-	10,623.1	-	100.00%
22	Sun Pharmaceuticals (SA) (Pty) Ltd.	22.10.2008	ZAR	4.84	0.0	(0.1)	-	0.1	-	0.0	(0.0)	-	(0.0)	-	100.00%
23	Sun Global Canada Pty. Ltd.	23.06.2009	USD	64.86	0.1	(1.2)	-	1.1	-	-	(0.0)	-	(0.0)	-	100.00%
24	Sun Laboratories FZE	13.03.2011	USD	64.86	794.6	(1,139.3)	96.2	440.9	0.7	81.4	(110.3)	-	(110.3)	-	100.00%
25	Sun Global Development FZE	13.04.2011	USD	64.86	185.4	(4.1)	200.8	19.5	-	-	(0.7)	-	(0.7)	-	100.00%
26	Sun Pharma Japan Ltd.	01.03.2012	JPY	0.58	91.5	(534.1)	3,588.4	4,031.0	-	10.6	(107.9)	0.2	(108.1)	-	100.00%
27	Sun Pharma Philippines, Inc.	08.12.2011	PHP	1.29	11.2	(407.5)	259.9	656.2	-	235.8	(77.4)	(23.2)	(54.2)	-	100.00%
28	Sun Pharma Healthcare FZE	25.03.2012	USD	64.86	185.4	(4.4)	181.1	0.0	-	-	2.4	-	2.4	-	100.00%
29	Sun Pharmaceuticals Korea Ltd.	20.09.2011	KRW	0.06	5.8	(1.6)	5.9	1.6	-	-	(0.3)	-	(0.3)	-	100.00%
30	Caraco Pharmaceuticals Private Limited	12.01.2012	INR	1.00	0.1	(0.1)	0.0	0.0	-	-	0.1	0.0	0.0	-	100.00%
31	Sun Pharma Laboratories Ltd	09.03.2012	INR	1.00	0.5	197,557.3	219,999.1	22,441.3	2,642.8	52,873.9	9,691.0	2,106.7	7,584.3	2040.0	100.00%
32	Morley & Company, Inc.	05.05.1983	USD	64.86	0.2	(0.1)	0.1	0.1	-	-	-	-	-	-	100.00%
33	Taro Pharmaceutical Industries Ltd. (TARO)	20.09.2010	USD	64.86	17,065.0	117,022.4	136,767.8	2,680.4	-	14,605.4	7,949.7	1,213.0	6,736.6	-	72.81%
34	Taro Pharmaceuticals Inc.	20.09.2010	CAD	48.57	14.3	72,094.5	74,402.1	2,293.2	-	23,526.9	17,672.3	4,279.1	13,393.2	-	72.81%
35	Taro Pharmaceuticals U.S.A., Inc.	20.09.2010	USD	64.86	546.3	(32.7)	45,506.7	44,993.1	230.1	50,459.3	673.4	30.9	642.5	-	72.81%
36	Taro Pharmaceuticals North America, Inc.	20.09.2010	USD	64.86	227.8	21,050.8	21,857.7	579.1	-	5,098.6	2,709.3	-	2,709.3	-	72.81%
37	Taro Pharmaceuticals Europe B.V.	20.09.2010	EURO	69.30	1.2	(32.8)	1.5	33.1	-	-	(1.3)	-	(1.3)	-	72.81%
38	Taro Pharmaceuticals Ireland Limited	20.09.2010	EURO	69.30	138.7	(400.5)	73.1	334.9	-	-	(19.4)	-	(19.4)	-	72.81%
39	Taro International Ltd.	20.09.2010	USD	64.86	-	85.3	550.8	465.6	-	757.5	73.4	17.8	55.6	-	72.81%
40	Taro Pharmaceuticals (UK) Limited	20.09.2010	GBP	80.83	0.0	(741.0)	79.4	820.4	-	81.1	(128.9)	-	(128.9)	-	72.81%

₹ In Million

Part "A": Subsidiaries

Sr No	Name of the Subsidiary Company	Date since when subsidiary was acquired	Reporting Currency	Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Shareholding
41	Taro Hungary Intellectual Property Licensing Limited Liability Company	20.09.2010	USD	64.86	-	0.0	-	-	-	-	(1.4)	-	(1.4)	-	72.81%
42	Taro Pharmaceuticals Canada, Ltd.	20.09.2010	CAD	48.57	0.0	(0.0)	0.1	0.1	-	-	(0.0)	-	(0.0)	-	72.81%
43	Alkaloida Sweden AB	22.11.2012	SEK	7.26	51.8	(31.8)	298.7	278.8	-	748.3	9.6	-	9.6	-	100.00%
44	Dusa Pharmaceuticals, Inc.	19.12.2012	USD	64.86	0.6	5,063.8	11,577.9	6,513.5	-	8,916.9	4,219.8	1,619.8	2,599.9	-	100.00%
45	Mutual Pharmaceutical Company Inc.	05.02.2013	USD	64.86	4,259.1	4,923.0	9,610.3	428.3	-	3,104.9	(916.6)	(332.7)	(583.9)	-	100.00%
46	Faststone Mercantile Company Private Limited	01.04.2012	INR	1.00	0.1	11.0	11.1	0.0	-	0.0	0.5	0.2	0.3	-	100.00%
47	Neetnav Real Estate Private Limited	01.04.2012	INR	1.00	0.1	2,920.1	3,077.5	157.3	3.1	1.2	1.2	0.4	0.8	-	100.00%
48	Realstone Multitrade Private Limited	01.04.2012	INR	1.00	0.1	11.0	11.2	0.0	-	0.0	0.6	0.2	0.4	-	100.00%
49	Skisen Labs Private Limited	01.04.2012	INR	1.00	163.6	(163.5)	0.1	0.0	-	0.0	(0.0)	0.0	(0.0)	-	100.00%
50	Softdeal Trading Company Private Limited	01.04.2012	INR	1.00	0.1	10.5	10.6	0.0	-	0.0	0.6	0.2	0.4	-	100.00%
51	Universal Enterprises Private Limited	31.08.2012	INR	1.00	4.5	0.8	5.3	0.0	-	-	0.0	0.0	0.0	-	100.00%
52	Sun Pharma Switzerland Limited	10.06.2013	CHF	64.81	6.5	(28.3)	2,645.1	2,666.9	-	-	(26.1)	0.8	(26.9)	-	100.00%
53	Sun Pharma Holdings	06.08.2015	USD	64.86	221,858.8	(17,972.1)	204,615.1	728.5	-	-	(9.4)	-	(9.4)	-	100.00%
54	Pharmalucence, Inc.	15.07.2014	USD	64.86	5,664.9	(683.6)	6,571.7	1,590.4	-	1,839.2	(350.9)	(127.1)	(223.7)	-	100.00%
55	PI Real Estate Ventures LLC	15.07.2014	USD	64.86	583.8	125.4	1,843.5	1,134.3	-	202.3	120.8	43.8	76.9	-	100.00%
56	Sun Pharma East Africa Limited	13.06.2014	KES	0.63	0.1	(51.1)	415.8	466.8	-	377.8	(23.8)	(6.8)	(17.0)	-	100.00%
57	Ranbaxy Drugs Limited	24.03.2015	INR	1.00	31.0	1,861.2	1,893.1	0.8	-	-	39.0	0.2	38.9	-	100.00%
58	Vidyut Investments Limited	24.03.2015	INR	1.00	250.1	(222.7)	27.7	0.3	-	-	1.6	0.5	1.1	-	100.00%
59	Gufic Pharma Limited	24.03.2015	INR	1.00	0.5	4.0	4.5	0.0	-	0.2	0.3	0.1	0.2	-	100.00%
60	Basics GmbH	24.03.2015	EURO	69.30	337.9	274.3	4,392.1	3,780.0	-	2,605.6	62.5	13.7	48.8	-	100.00%
61	Ranbaxy GmbH	24.03.2015	EURO	69.30	1.7	-	277.8	276.0	-	191.0	-	-	-	-	100.00%
62	"Ranbaxy Pharmaceuticals Ukraine" LLC	24.03.2015	UAH	2.40	95.9	6.4	235.7	133.4	-	639.9	9.0	1.9	7.1	-	100.00%
63	Sun Pharmaceuticals Morocco LLC (Formerly known as Ranbaxy Morocco LLC)	24.03.2015	MAD	6.47	79.2	(139.5)	926.9	987.3	-	884.6	81.8	4.4	77.4	-	100.00%
64	Sun Pharmaceutical Industries S.A.C. (Formerly known as Ranbaxy - PRP (Peru) S.A.C.)	24.03.2015	PEN	19.96	86.7	(180.6)	196.2	290.1	-	15.0	(22.0)	-	(22.0)	-	100.00%
65	Ranbaxy Holdings (U.K.) Limited	24.03.2015	GBP	80.83	2,469.9	111.8	2,589.9	8.3	-	-	(0.9)	-	(0.9)	-	100.00%
66	Ranbaxy Pharmacie Generiques	24.03.2015	EURO	69.30	1,729.0	(3,387.4)	659.9	2,318.3	-	1,334.1	163.4	-	163.4	-	100.00%
67	Office Pharmaceutique Industriel Et Hospitalier	24.03.2015	EURO	69.30	92.2	(13.6)	216.5	137.9	-	273.0	13.6	-	13.6	-	100.00%
68	Ranbaxy Italia S.P.A.	24.03.2015	EURO	69.30	3.5	19.0	1,314.3	1,291.9	-	1,365.2	(22.3)	13.2	(35.5)	-	100.00%
69	Ranbaxy Pharmaceutical Proprietary Limited	24.03.2015	ZAR	4.84	967.8	(2,083.0)	6,750.3	7,865.5	-	5,395.9	189.3	-	189.3	-	100.00%
70	Sonke Pharmaceuticals Proprietary Limited	24.03.2015	ZAR	4.84	9.7	240.8	2,670.8	2,420.3	-	6,566.0	195.5	-	195.5	-	70.00%
71	Ranbaxy South Africa Proprietary Limited	24.03.2015	ZAR	4.84	84.7	590.7	1,981.9	1,306.5	-	1,291.2	170.6	22.8	147.8	-	100.00%
72	Ranbaxy Egypt LLC	24.03.2015	EGP	3.55	342.0	(74.7)	480.6	213.4	-	237.2	(63.8)	3.0	(66.9)	-	100.00%
73	Rexcel Egypt LLC	24.03.2015	EGP	3.55	0.9	(11.8)	11.4	22.3	-	7.9	(7.8)	-	(7.8)	-	100.00%
74	Ranbaxy (U.K.) Limited	24.03.2015	GBP	80.83	1,758.1	(593.4)	2,036.8	872.2	-	1,558.7	74.2	16.1	58.1	-	100.00%
75	Ranbaxy (Poland) Sp. Z o.o.	24.03.2015	PLN	16.45	70.6	86.3	192.9	36.0	-	458.2	14.3	3.6	10.7	-	100.00%
76	Ranbaxy Nigeria Limited	24.03.2015	NGN	0.21	8.4	656.3	2,556.2	1,891.4	-	866.3	(79.3)	(39.3)	(40.0)	2.1	85.31%
77	Ranbaxy (Thailand) Company Limited	24.03.2015	THB	1.89	216.8	(56.1)	984.6	823.8	-	998.4	(86.4)	-	(86.4)	-	100.00%
78	Ohm Laboratories, Inc.	24.03.2015	USD	64.86	(2,354.8)	5,427.2	82,403.8	79,331.4	-	25,336.6	(1,995.8)	(684.7)	(1,311.1)	-	100.00%
79	Ranbaxy Laboratories, Inc.	24.03.2015	USD	64.86	1,951.1	12,156.1	92,020.4	77,913.2	-	14,485.5	6,614.1	2,354.2	4,259.8	-	100.00%
80	Ranbaxy Signature LLC	24.03.2015	USD	64.86	3.2	(191.4)	3.3	191.4	-	504.1	472.3	-	472.3	-	67.50%
81	Ranbaxy Pharmaceuticals, Inc.	24.03.2015	USD	64.86	(4,817.3)	13,283.7	181,560.9	173,094.5	-	29,422.6	2,958.4	1,095.5	1,862.9	-	100.00%
82	Ranbaxy Inc.	24.03.2015	USD	64.86	3,792.5	11,451.2	57,684.1	42,440.4	-	-	142.0	239.8	(97.7)	-	100.00%
83	Ranbaxy Ireland Limited	24.03.2015	EURO	69.30	492.9	11.8	532.9	28.2	-	1,181.7	138.2	-	138.2	-	100.00%
84	AO Ranbaxy (Formerly Known ZAO Ranbaxy)	24.03.2015	RUB	1.16	188.6	784.0	4,194.9	3,222.3	-	5,781.8	345.2	100.0	245.3	-	100.00%
85	Laboratorios Ranbaxy, S.L.U.	24.03.2015	EURO	69.30	69.3	184.8	1,239.7	985.6	-	1,426.2	98.7	-	98.7	-	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ In Million

Part "A": Subsidiaries

Sr No	Name of the Subsidiary Company	Date since when subsidiary was acquired	Reporting Currency	Rate	Capital	Reserve	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend	% of Shareholding
86	Ranbaxy (Malaysia) Sdn. Bhd.	24.03.2015	MYR	14.65	117.2	218.2	1,312.4	976.9	-	1,396.4	79.2	-	79.2	-	71.22%
87	Ranbaxy Farmaceutica Ltda.	24.03.2015	BRL	20.59	357.6	(1,439.0)	970.5	2,051.8	-	1,239.1	57.2	-	57.2	-	100.00%
88	Ranbaxy Europe Limited	24.03.2015	GBP	80.83	0.8	147.2	148.1	0.1	-	-	(1.0)	(1.0)	(0.0)	-	100.00%
89	Sun Pharma ANZ Pty Ltd (Formerly known as Ranbaxy Australia Pty Ltd)	24.03.2015	AUD	49.61	863.2	(1,293.3)	1,042.4	1,472.5	-	1,679.2	34.2	-	34.2	-	100.00%
90	Ranbaxy Pharmaceuticals Canada Inc.	24.03.2015	CAD	48.57	109.3	223.4	950.0	617.3	-	1,857.5	(60.9)	-	(60.9)	-	100.00%
91	S. C. Terapia S.A.	24.03.2015	RON	15.23	381.1	10,643.9	13,699.6	2,674.6	-	9,040.1	2,420.1	343.7	2,076.4	-	96.70%
92	Be- Tabs Investments Proprietary Limited	24.03.2015	ZAR	4.84	0.0	17.3	17.3	0.0	-	-	0.1	-	0.1	-	100.00%
93	Ranbaxy (Netherlands) B.V.	24.03.2015	USD	64.86	37,932.6	15,137.4	53,146.0	76.0	-	0.0	1,227.6	(1.3)	1,228.9	-	100.00%
94	Insite Vision Incorporated	02.11.2015	USD	64.86	0.0	617.6	2,212.1	1,594.6	-	3.2	(86.2)	(70.4)	(15.8)	-	100.00%
95	Sun Pharma Medisales Private Limited (Formerly known as Solrex Pharmaceuticals Company)	24.03.2015	INR	1.00	1.0	83.6	2,247.3	2,162.7	-	699.2	112.5	29.6	82.9	-	100.00%
96	JSC Biosintez	19.12.2016	RUB	1.16	0.3	857.6	4407.4	3549.5	-	3319.5	(7.2)	26.7	(33.9)	-	85.10%
97	Sun Pharmaceuticals Holdings USA, INC	18.11.2016	USD	64.86	20673.7	0.0	20673.7	0.0	-	0.0	-	0.0	-	-	100.00%
98	Foundation for Disease Elimination and Control of India	21.09.2016	INR	1.00	0.1	(1.2)	0.5	1.7	-	0.0	(1.2)	0.0	(1.2)	-	100.00%
99	Ocular Technologies SARL	15.12.2016	USD	64.86	1.4	(1.4)	0.0	0.0	-	0.0	0.0	0.0	0.0	-	100.00%
100	Sun Pharmaceutical Medicare Limited	16.01.2017	INR	1.00	2.5	(13.5)	1934.5	1945.5	-	0.0	(13.5)	0.0	(13.5)	-	100.00%

Note:

1 0.0' represents amount less than 0.05 million and rounded off

2 In respect of entities at Sr. Nos. 4 to 8, 62, 84, 94, 96, and 99 the reporting date is as of December 31, 2016 and different from the reporting date of the Parent Company. Adjustments have been made for significant transactions of these subsidiaries for the periods from January 01, 2016 to March 31, 2016 and January 01, 2017 to March 31, 2017, on the basis of their management accounts for the said periods.

3 The above does not include 3 Skyline LLC, One Commerce Drive LLC, Sirius Laboratories Inc, Perryton Wind Power LLC, Insite Vision Ltd., Dusa Pharmaceuticals New York Inc., Taro Pharmaceutical Laboratories Inc, Taro Pharmaceutical India Private Limited being subsidiaries of Taro Pharmaceutical Industries Ltd, Caraco Pharma Inc. 2 Independence Way LLC, URL PharmaPro LLC and Dungan Mutual Associates LLC as they have no operation and does not have any Assets, Liabilities or Equity as on the close of their Financial Year.

4 With effect from March 2, 2017, Sun Pharmaceutical Spain, S.L.U. has been liquidated.

5 With effect from February 16, 2017, Taro Hungary Intellectual Property Licensing Limited Liability Company has been liquidated.

6 Taro Pharmaceutical India Private Limited is under liquidation.

7 With effect from August 16, 2016 Dusa Pharmaceuticals New York, Inc. has been dissolved.

8 With effect from February 22, 2017 Sirius Laboratories Inc has been dissolved.

9 With effect from March 16, 2017, Thallion Pharmaceutical Inc., was acquired and merged with Taro Pharmaceuticals Inc.,

10 With effect from April 7, 2016 Perryton Wind Power LLC has been liquidated.

11 During the year, Solrex Pharmaceuticals Company, a partnership firm has been converted into company which is known as Sun Pharma Medisales Private Limited

12 MSD - Sun LLC is under liquidation.

13 MSD-Sun FZ LLC has been deregistered with effect from September 14, 2015 having deregistration certificate dated December 25, 2016.

14 Daiichi Sankyo (Thailand) Ltd.'s shares were sold as per agreement dated May 13, 2016.

15 With effect from April 01, 2015, URL Pharma Inc., has merged into Mutual Pharmaceutical Company, Inc.

16 With effect from April 01, 2015, AR Scientific Inc. have merged into URL Pharma Inc.

17 With effect from April 01, 2015, United Research Laboratories Limited, have merged into URL Pharma Inc.

18 During the previous year, the Company has sold its investment in Silverstreet Developers LLP with effect from April 01, 2015.

19 With effect from March 01, 2016, Ranbaxy Belgium N.V. has been liquidated.

20 With effect from June 30, 2015 Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda has been liquidated.

21 Zalicus Pharmaceuticals Limited was acquired during the previous year and subsequently amalgamated in Taro Pharmaceuticals Inc., on October 05, 2015.

22 With effect from November 02, 2015, Thea Acquisition Corporation has been merged with Insite Vision Incorporated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Part "B": Associate Companies and Joint Ventures

₹ In Million

Sr. No	Name of Associates/Joint Ventures	Artes Biotechnology GmbH	MSD - Sun LLC	S & I Ophthalmic LLC	Zenotech Laboratories Limited	Fraizer Healthcare VII, L.P.	Versant Venture Capital V, L.P.	scPharmaceuticals Inc.	Generic Solar Power LLP	Trumpcard Advisors and Finvest LLP	Medinstill LLC
		Jointly Controlled Entity			Associates						
1	Latest audited Balance Sheet Date	31-Dec-16	31-Mar-17	31-Mar-17	31-Mar-17	31-Dec-16	31-Dec-16	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17
	Date of acquisition	13.02.2014	06.06.2011	28.10.2013	24.03.2015	24.10.2013	21.04.2014	29.12.2016	09.10.2015	31.03.2017	13.03.2014
2	Shares of Associate/Joint Ventures held by the company on the year end										
	No.	15,853	NA	NA	16,128,078	NA	NA	13,000,000	28,760	NA	1,999
	Amount of Investment in Associates/Joint Venture	244.9	0.7	184.0	-	1,437.0	951.5	794.4	0.0	312.5	1,110.3
	Extend of Holding %	45.00%	50.00%	50.00%	46.84%	6.83%	7.75%	14.58%	28.76%	40.61%	19.99%
3	Description of how there is significant influence	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Reason why the associate/ joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Networth attributable to Shareholding as per latest audited Balance Sheet	47.8	-	184.0	-	1595.3	888.2	(396.0)	0.1	0.4	(443.7)
6	Profit / Loss for the year										
	i. Considered in Consolidation	(9.7)	-	(191.3)	NA	(12.8)	(28.8)	(48.8)	0.0	0.0	(166.2)
	ii. Not Considered in Consolidation	(11.8)	-	(191.3)	NA	(174.8)	(343.0)	(285.8)	0.0	0.0	(665.2)

For and on behalf of the Board of Directors of
Sun Pharmaceutical Industries Limited

UDAY V. BALDOTA
Chief Financial Officer

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director
Mumbai, May 26, 2017