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 Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures, comprising of the consolidated Balance Sheet as at March 31, 2018, 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 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 Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("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 consolidated statement of changes in equity of the Group including its Associates and Joint Ventures in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and 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 Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, 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 joint ventures as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 24 subsidiaries, whose Ind AS financial statements, without giving effect to elimination of intra group transactions, include total assets of ₹ 566,133.5 Million and net assets of ₹ 418,322.5 Million as at March 31, 2018, and total revenues of ₹ 185,173.2 Million and net cash outflows of ₹ 6,056.8 Million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial

Independent Auditor's Report

To the Members of Sun Pharmaceutical Industries Limited

statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 254.4 Million for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of 8 associates and joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. 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, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 39 subsidiaries, whose financial statements and other financial information, without giving effect to elimination of intra group transactions, reflect total assets of ₹ 217,210.8 Million and net assets of ₹ 208,537.0 Million as at March 31, 2018, and total revenues of ₹ 6,131.0 Million and net cash outflows of ₹ 496.9 Million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

(c) The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 26, 2017.

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

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the 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 specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

Independent Auditor's Report

To the Members of Sun Pharmaceutical Industries Limited

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group's companies, its associates and joint ventures incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, refer to our separate report in "Annexure 1" to this report;

(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 Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates, joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures – Refer Note 40 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 (a) Note 23 and Note 29 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its associates and joint ventures and (b) the Group's share of net profit/loss in respect of its associates;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India, except a sum of ₹ 16.9 Million, which is held in abeyance due to pending legal cases.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No.: 105754

Place: Mumbai
Date: May 25, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

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

In conjunction with our audit of the consolidated financial statements of Sun Pharmaceutical Industries Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Sun Pharmaceutical Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, 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 Holding Company 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 company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company 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 Matters

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

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No.: 105754

Place: Mumbai
Date: May 25, 2018

Consolidated Balance Sheet
as at March 31, 2018

₹ in Million

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3a	**91,590.3**	84,952.9
(b) Capital work-in-progress		**14,344.7**	15,647.6
(c) Goodwill (Net)	48	**56,067.1**	55,362.2
(d) Other intangible assets	3b	**40,869.1**	36,436.6
(e) Intangible assets under development		**10,306.9**	12,366.2
(f) Investments in associates	4	**2,748.6**	4,605.4
(g) Investments in joint ventures	5	**252.8**	429.5
(h) Financial assets			
(i) Investments	6	**27,521.1**	4,575.1
(ii) Loans	7	**22,424.7**	698.1
(iii) Other financial assets	8	**1,049.2**	6,452.2
(i) Deferred tax assets (Net)	51	**21,937.8**	24,928.2
(j) Income tax assets (Net)	9	**31,896.6**	31,250.1
(k) Other non-current assets	10	**5,660.1**	6,861.8
Total non-current assets		**326,669.0**	**284,565.9**
(2) Current assets			
(a) Inventories	11	**68,806.9**	68,328.1
(b) Financial assets			
(i) Investments	12	**40,906.2**	2,308.8
(ii) Trade receivables	13	**78,152.8**	72,026.1
(iii) Cash and cash equivalents	14	**79,253.7**	86,628.0
(iv) Bank balances other than (iii) above	15	**20,040.1**	64,780.4
(v) Loans	16	**914.3**	10,190.8
(vi) Other financial assets	17	**4,795.5**	2,258.5
(c) Other current assets	18	**23,489.5**	22,949.9
		316,359.0	**329,470.6**
Assets classified as held for sale	66	**-**	65.9
Total current assets		**316,359.0**	**329,536.5**
TOTAL ASSETS		**643,028.0**	**614,102.4**

Consolidated Balance Sheet

as at March 31, 2018

₹ in Million

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	**2,399.3**	2,399.3
(b) Other equity	20	**378,606.3**	363,997.4
Equity attributable to the equity shareholders of the Company		**381,005.6**	**366,396.7**
Non-controlling interests		**38,841.6**	37,908.6
Total equity		**419,847.2**	**404,305.3**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	**17,720.9**	14,360.8
(ii) Other financial liabilities	22	**316.5**	1,048.0
(b) Provisions	23	**4,044.6**	12,111.1
(c) Deferred tax liabilities (Net)	51	**2,189.6**	3,147.9
(d) Other non-current liabilities	24	**266.0**	259.1
Total non-current liabilities		**24,537.6**	**30,926.9**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	**79,797.0**	66,549.2
(ii) Trade payables	26	**47,662.0**	43,953.9
(iii) Other financial liabilities	27	**13,377.2**	22,116.3
(b) Other current liabilities	28	**5,382.1**	4,620.5
(c) Provisions	29	**51,096.6**	40,159.1
(d) Current tax liabilities (Net)	30	**1,328.3**	1,471.2
Total current liabilities		**198,643.2**	**178,870.2**
Total liabilities		**223,180.8**	**209,797.1**
TOTAL EQUITY AND LIABILITIES		**643,028.0**	**614,102.4**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No. : 105754
Mumbai, May 25, 2018

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

DILIP S. SHANGHVI
Managing Director

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director
Mumbai, May 25, 2018

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

₹ in Million

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
(I) Revenue from operations	31	**264,894.6**	315,784.4
(II) Other income	32	**8,387.6**	6,231.5
(III) Total income (I+II)		**273,282.2**	**322,015.9**
(IV) Expenses			
Cost of materials consumed	33	**44,626.0**	51,246.1
Purchases of stock-in-trade		**27,313.8**	32,777.6
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	**2,307.0**	(2,716.3)
Employee benefits expense	35	**53,670.5**	49,023.0
Finance costs	36	**5,175.7**	3,998.0
Depreciation and amortisation expense	3 (a & b)	**14,998.4**	12,647.5
Other expenses	37	**80,896.0**	84,561.3
Total expenses (IV)		**228,987.4**	**231,537.2**
(V) Profit before exceptional items and tax (III-IV)		**44,294.8**	**90,478.7**
(VI) Exceptional item	62	**(9,505.0)**	-
(VII) Profit before tax (V+VI)		**34,789.8**	**90,478.7**
(VIII) Tax expense			
Current tax		**6,628.0**	4,046.4
Deferred tax			
a) Deferred tax charge/(credit)		**(720.6)**	8,069.3
b) Deferred tax charge/(credit) - exceptional	74	**2,544.5**	-
Total tax expense (VIII)	50	**8,451.9**	**12,115.7**
(IX) Profit for the year before share of profit/(loss) of associates and joint ventures (VII-VIII)		**26,337.9**	**78,363.0**
(X) Share of profit/(loss) of associates (net of tax)		**(246.6)**	299.6
(XI) Share of profit/(loss) of joint ventures (net of tax)		**(7.8)**	(200.3)
(XII) Profit for the year before non-controlling interests (IX+X+XI)		**26,083.5**	**78,462.3**
(XIII) Non-controlling interests		**4,468.0**	8,818.6
(XIV) Profit for the year attributable to owners of the Company		**21,615.5**	**69,643.7**
(XV) Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
(a) Re-measurements of the defined benefit plans		**782.7**	(766.9)
Income tax on above		**(274.8)**	56.6
		507.9	(710.3)
(b) Equity instruments through other comprehensive income		**1,288.3**	(3,741.4)
Income tax on above		**(23.2)**	-
		1,265.1	(3,741.4)
Total (A)		**1,773.0**	**(4,451.7)**

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

₹ in Million

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
(B) Items that may be reclassified to profit or loss			
(a) Debt instruments through other comprehensive income		**(98.3)**	(4.7)
Income tax on above		**8.7**	-
		(89.6)	(4.7)
(b) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		**(75.7)**	46.2
(c) Exchange differences in translating the financial statements of foreign operations		**4,025.7**	(10,461.7)
(d) Exchange differences on translation of net investment in a foreign operations		**(400.9)**	-
Total (B)		**3,459.5**	**(10,420.2)**
(XV) Total other comprehensive income (A + B)		**5,232.5**	**(14,871.9)**
(XVI) Total comprehensive income for the year (XII+XV)		**31,316.0**	**63,590.4**
Other comprehensive income for the year attributable to:			
- Owners of the Company		**4,754.8**	(13,337.6)
- Non-controlling interests		**477.7**	(1,534.3)
Total comprehensive income for the year attributable to:			
- Owners of the Company		**26,370.3**	56,306.1
- Non-controlling interests		**4,945.7**	7,284.3
Earnings per equity share (face value per equity share - ₹ 1)	52		
Basic (in ₹)		**9.0**	29.0
Diluted (in ₹)		**9.0**	29.0

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No. : 105754
Mumbai, May 25, 2018

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

DILIP S. SHANGHVI
Managing Director

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director
Mumbai, May 25, 2018

Consolidated Statement of Changes in Equity

for the year ended March 31, 2018

₹ in Million

Particulars	Equity share capital	Reserves and surplus										Other comprehensive income (OCI)				Attributable to owners of Parent Company	Non-controlling interests	TOTAL
		Share application money pending allotment	Capital reserve	Securities premium reserve	Debenture redemption reserve	Share option outstanding account	Amalgamation reserve	Capital redemption reserve	Legal reserve	General reserve	Retained earnings	Debt instrument through OCI	Equity instrument through OCI	Foreign currency translation reserve	Effective portion of cash flow hedges			
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**	**1.3**	**4,081.1**	**15,943.1**	**-**	**329,824.8**	**40,852.5**	**370,677.3**
Profit for the year	-	-	-	-	-	-	-	-	-	-	69,643.7	-	-	-	-	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	-	-	-	-	-	-	-	-	-	-	* (710.3)	(4.7)	(3,741.4)	-	46.2	(4,410.2)	-	(4,410.2)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**68,933.4**	**(4.7)**	**(3,741.4)**	**(8,927.4)**	**46.2**	**56,306.1**	**7,284.3**	**63,590.4**
Payment of dividend	-	-	-	-	-	-	-	-	-	-	(2,406.8)	-	-	-	-	(2,406.8)	(30.4)	(2,437.2)
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	(490.0)	-	-	-	-	(490.0)	-	(490.0)
Recognition of share-based payments to employees	-	-	-	-	-	32.3	-	-	-	-	-	-	-	-	-	32.3	-	32.3
Issue of equity shares	0.2	(6.7)	-	31.3	-	-	-	-	-	-	-	-	-	-	-	24.8	-	24.8
Buy-back of equity shares (Refer note 65)	(7.5)	-	-	(6,742.5)	-	-	-	-	-	-	-	-	-	-	-	(6,750.0)	-	(6,750.0)
Expenditure on buy-back of equity shares	-	-	-	(34.2)	-	-	-	-	-	-	-	-	-	-	-	(34.2)	-	(34.2)
Buy-back of equity shares by overseas subsidiary Company	-	-	-	-	-	-	-	-	-	-	(10,110.3)	-	-	-	-	(10,110.3)	(10,447.5)	(20,557.8)
Transfer to capital redemption reserve on buy-back of equity shares	-	-	-	-	-	-	-	7.5	-	-	(7.5)	-	-	-	-	-	-	-
Transfer from surplus in consolidated statement of profit and loss	-	-	-	-	1,041.7	-	-	-	-	-	(1,041.7)	-	-	-	-	-	-	-
Additional non-controlling interests arising on the acquisition of JSC Biosintez	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	249.7	249.7
Transfer 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**	**(3.4)**	**339.7**	**7,015.7**	**46.2**	**366,396.7**	**37,908.6**	**404,305.3**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2018

₹ in Million

Particulars	Equity share capital	Reserves and surplus										Other comprehensive income (OCI)				Attributable to owners of Parent Company	Non-controlling interests	TOTAL
		Share application money pending allotment	Capital reserve	Securities premium reserve	Debenture redemption reserve	Share option outstanding account	Amalgamation reserve	Capital redemption reserve	Legal reserve	General reserve	Retained earnings	Debt instrument through OCI	Equity instrument through OCI	Foreign currency translation reserve	Effective portion of cash flow hedges			
Profit for the year	-	-	-	-	-	-	-	-	-	-	21,615.5	-	-	-		21,615.5	4,468.0	26,083.5
Exchange difference arising on translation of foreign operations /net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	3,104.4	-	3,104.4	520.4	3,624.8
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	-	* 507.7	(90.5)	1,308.9	-	(75.7)	1,650.4	(42.7)	1,607.7
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22,123.2**	**(90.5)**	**1,308.9**	**3,104.4**	**(75.7)**	**26,370.3**	**4,945.7**	**31,316.0**
Payment of dividend	-	-	-	-	-	-	-	-	-	-	(7,977.4)	-	-	-	-	(7,977.4)	(152.8)	(8,130.2)
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-	(1,624.0)	-	-	-	-	(1,624.0)	-	(1,624.0)
Recognition of share-based payments to employees	-	-	-	-	-	(1.0)	-	-	-	-	-	-	-	-	-	(1.0)	-	(1.0)
Issue of equity shares@	0.0	(0.0)	-	9.1	-	-	-	-	-	-	-	-	-	-	-	9.1	-	9.1
Transfer to debenture redemption reserve	-	-	-	-	(833.4)	-	-	-	-	-	833.4	-	-	-	-	-	-	-
Buy-back of equity shares by overseas subsidiaries Company	-	-	-	-	-	-	-	-	-	-	(2,168.1)	-	-	-	-	(2,168.1)	(4,586.4)	(6,754.5)
Additional non-controlling interest arising on the acquisition of Zenotech (Refer note 76)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	726.5	726.5
Transfer from surplus in consolidated statement of profit and loss as per the local law of an overseas subsidiary	-	-	-	-	-	-	-	-	2.5	-	(2.5)	-	-	-	-	-	-	-
Transfer on exercise of share options	-	-	-	25.4	-	(25.4)	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	**2,399.3**	**-**	**507.5**	**11,929.1**	**1,250.0**	**-**	**43.8**	**7.5**	**3.6**	**35,578.0**	**317,641.5**	**(93.9)**	**1,648.6**	**10,120.1**	**(29.5)**	**381,005.6**	**38,841.6**	**419,847.2**

* Represents re-measurements of the defined benefit plans
# (March 31, 2017 : ₹ 7,177)
@ (March 31, 2018 : ₹ 62,365)
The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per PAUL ALVARES
Partner
Membership No. : 105754
Mumbai, May 25, 2018

C. S. MURALIDHARAN
Chief Financial Officer

SUNIL R. AJMERA
Company Secretary

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

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Wholetime Director

SAILESH T. DESAI
Wholetime Director
Mumbai, May 25, 2018

Consolidated Cash Flow Statement

for the year ended March 31, 2018

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**34,789.8**	90,478.7
Adjustments for:		
Depreciation and amortisation expense	**14,998.4**	12,647.5
Impairment of property, plant and equipment, goodwill and other intangible assets	**26.7**	203.6
Loss on sale / write off of property, plant and equipment and other intangible assets, net	**201.6**	108.8
Finance costs	**5,175.7**	3,998.0
Interest income	**(5,197.6)**	(3,711.7)
Dividend income on investments	**(371.6)**	(420.5)
Net gain arising on financial assets measured at fair value through profit or loss	**(1,236.6)**	(72.2)
Net gain on sale of financial assets measured at fair value through profit or loss	**(234.0)**	(479.3)
Net loss on sale of financial assets measured at fair value through other comprehensive income	**7.5**	-
Gain on disposal of an associate entity	**-**	(201.3)
Provision / write off for doubtful trade receivables / advances	**1,095.9**	341.8
Sundry balances written back, net	**(170.6)**	(618.5)
Expense/ (income) recognised in respect of share based payments to employees	**(1.0)**	32.3
Impairment in value of investments	**(725.7)**	6.8
Effect of exchange rate changes	**253.5**	(6,828.6)
Operating profit before working capital changes	**48,612.0**	**95,485.4**
Movements in working capital:		
Increase in inventories	**(40.0)**	(3,449.9)
Increase in trade receivables	**(7,730.1)**	(2,934.5)
Increase in other assets	**(1,163.3)**	(6,464.2)
Increase in trade payables	**3,830.4**	7,354.5
Decrease in other liabilities	**(217.4)**	(1,530.7)
Increase in provisions	**3,197.3**	2,932.7
Cash generated from operations	**46,488.9**	**91,393.3**
Income tax paid (net of refund)	**(7,417.4)**	(20,571.2)
Net cash generated from operating activities (A)	**39,071.5**	**70,822.1**
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)	**(19,607.8)**	(36,928.6)
Proceeds from disposal of property, plant and equipment and other intangible assets	**664.9**	1,024.7
Loans / inter corporate deposits		
Given / placed	**(25,847.2)**	(6,504.6)
Received back / matured	**13,230.0**	6,796.8
Purchase of investments [including associates and joint venture ₹ 324.7 Million (March 31, 2017: ₹ 1,543.6 Million)]	**(405,866.8)**	(388,310.4)
Proceeds from sale of investments	**349,923.7**	391,943.9
Bank balances not considered as cash and cash equivalents		
Fixed deposits / margin money placed	**(16,812.3)**	(67,586.6)
Fixed deposits / margin money matured	**65,987.1**	55,224.3
Net cash outflow on acquisition of subsidiaries / business units (Refer note 76)	**(855.0)**	(1,671.8)
Interest received	**5,103.7**	3,365.2
Receipt of rental on assets given under finance lease	**-**	10.6
Dividend received	**371.6**	420.5
Net cash used in investing activities (B)	**(33,708.1)**	**(42,216.0)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	**122,061.7**	91,975.6
Repayment of borrowings	**(127,811.2)**	(80,649.9)
Payment for buy-back of equity shares of parent and buy-back of equity shares held by non-controlling interests of subsidiaries	**(6,754.5)**	(27,307.8)
Dividend payment to non-controlling interests	**(152.8)**	(30.4)
Payment for share buy-back expenses	**-**	(34.2)
Net increase / (decrease) in working capital demand loans	**11,625.7**	(604.5)

Consolidated Cash Flow Statement

for the year ended March 31, 2018

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Proceeds from issue of equity shares on exercise of stock options / share application money received	9.1	24.8
Finance costs	(4,765.2)	(3,338.3)
Dividend paid	(7,981.4)	(2,399.2)
Dividend distribution tax	(1,624.0)	(490.0)
Net cash used in financing activities (C)	**(15,392.6)**	**(22,853.9)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(10,029.2)**	5,752.2
Cash and cash equivalents at the beginning of the year	86,423.6	80,316.9
Cash and cash equivalents taken over on acquisition of subsidiaries (Refer note 76)	1,197.3	-
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	1,472.8	354.5
Cash and cash equivalents at the end of the year	**79,064.5**	**86,423.6**

Notes:

₹ In Million

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents comprises of		
Balances with banks		
In current accounts	55,137.3	49,192.3
In deposit accounts with original maturity less than 3 months	24,099.3	35,576.1
Cheques, drafts on hand	10.6	1,813.9
Cash on hand	6.5	45.7
Cash and cash equivalents (Refer note 14)	**79,253.7**	**86,628.0**
Less:- cash credit facilities included under loans repayable on demand in note 25	189.2	204.4
Cash and cash equivalents in cash flow statement	**79,064.5**	**86,423.6**

Change in financial liability/ asset arising from financing activities

₹ In Million

Particulars	Year ended March 31, 2018	
	Borrowings	Derivatives
Balance as on April 01, 2017	**98,317.7**	**1,210.0**
Changes from financing cash flows	5,876.2	(518.0)
The effect of changes in foreign exchange rates	180.5	(32.1)
Other changes	(521.7)	-
Changes in fair value	-	94.2
Balance as on March 31, 2018	**103,852.7**	**754.1**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per PAUL ALVARES
Partner
Membership No. : 105754
Mumbai, May 25, 2018

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

DILIP S. SHANGHVI
Managing Director

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director
Mumbai, May 25, 2018

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

1. GENERAL INFORMATION

Sun Pharmaceutical Industries Limited ("the Parent Company") is a public limited company incorporated and domiciled in India, having it's registered office at Vadodara, Gujarat, India and has its listing on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. 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.

The consolidated financial statement were authorised for issue in accordance with a resolution of the directors on May 25, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The Group has prepared its consolidated financial statements for the year ended March 31, 2018 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, 2017.

2.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis, except for: (i) 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; (iii) derivative financial instrument and (iv) 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.

The consolidated financial statements are presented in ₹ and all values are rounded to the nearest Million (₹ 000,000) upto one decimal, except when otherwise indicated.

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.

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 /

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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, 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. Current vs. Non-current

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

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 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 business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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 (see note 2.2.r).

- 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) are recognised in other comprehensive income / (loss) and presented within equity as a part of Foreign Currency Translation Reserve. On disposal of the foreign operation, the relevant amount in the Foreign Currency Translation Reserve is reclassified to profit or loss.

Non-monetary items that are measured in terms of historical cost in foreign currency are measured using the exchange rates at the date of initial transaction.

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 (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.

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.

Assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. Such assets 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

other 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 on 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. 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 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.

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/ability to complete development and to use or sell the asset.

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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.

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.

Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally generated goodwill and brands, are recognised in the statement of profit and loss as incurred.

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.

h. Impairment of non-financial assets other than goodwill

The carrying amounts of the Group's non-financial 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

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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 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 date the group commits to purchase or sale the financial assets.

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.

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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 and 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').

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

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 AS 103 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 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.

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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 Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

All financial liabilities are subsequently measured at 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 financial instruments that are not designated 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 instruments not 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

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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, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. 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.

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.

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- 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.

(iii) Net Investment Hedge

The group designates certain foreign currency liability as hedge against certain net investment in foreign subsidiaries. Hedges of net investments in foreign operations are accounted similar to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR')- a component of equity. The ineffective portion of the gain or loss on these hedges is immediately recognised in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

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.

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Group as a lessee

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased assets 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. 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 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, stores and spares 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, stock-in-trade, stores and spares includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition. 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.

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.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis

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 Companies 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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.

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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.

Contingent assets are not recognised in the consolidated financial statements.

o. Revenue

Revenue from sale of goods is measured at the fair value of the consideration received or receivable. Revenue is stated exclusive of sales tax, value added tax, goods and service tax and net of returns, chargebacks, rebates and other similar allowances. Revenue is inclusive of excise duty till the period, provision of excise duty was levied on sale of goods.

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. The company is principal in all of its revenue arrangements, since it is the primary obligor in all of the revenue arrangements, as it has pricing latitude and is exposed to inventory and credit risks.

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.

p. 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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.

q. 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, the Company deducts such grant amount from the carrying amount of the asset.

r. Employee benefits

Defined benefit plans

The Company operates a defined benefit gratuity plan which requires contribution to be made to a separately administered fund.

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

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

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. The Group does not have any obligation other than the contribution made.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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.

s. Borrowing costs

Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

t. 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.

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.

u. 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

v. Recent Accounting pronouncements

Standards issued but not yet effective and not early adopted by the Company

Ind AS 115, Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs ("MCA") has notified Ind AS 115, Revenue from Contracts with Customers, which is effective for accounting periods beginning on or after April 01, 2018. This comprehensive new standard will supersede existing revenue recognition guidance, and requires an entity to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

Ind AS 115 is effective for annual reporting periods beginning on or after April 01, 2018.

The Group intends to adopt Ind AS 115 effective April 01, 2018, using the modified retrospective method. The Group is evaluating the requirements of the standard and its impact on its financials.

Amendments to Ind AS 7 Statement of Cash Flows:

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for the current period in Consolidated Cash Flow Statement. Since amendment is effect from April 01, 2017, no comparative period information is required.

Other Amendments:

On March 28, 2018, the MCA, issued certain amendments to Ind AS. The amendments relate to the following standards:

- Ind AS 40, Investment Property
- Ind AS 21, The Effects of Changes in Foreign Exchange Rates
- Ind AS 12, Income Taxes
- Ind AS 28, Investments in Associates and Joint Ventures
- Ind AS 112, Disclosure of Interests in Other Entities

The amendments are effective April 01, 2018. The Group believes that the aforementioned amendments will not materially impact the financial position, performance or the cash flows of the Group.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

NOTE : 3a 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 *	Furniture and Fixtures Given under Finance Lease *	Vehicles	Vehicles Lease	Office equipment	Total
At cost or deemed cost															
As at April 01, 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**
Consolidation adjustments	61.2	1.8	334.2	248.0	(248.5)	-	665.9	-	46.7	-	1.9	11.7	6.3	54.3	1,183.5
Taken over on acquisition	387.5	-	392.2	-	-	-	733.3	-	13.7	-	-	7.7	-	1.0	1,535.4
Additions	113.1	-	3,586.8	0.1	-	-	11,247.9	0.3	212.6	-	0.8	137.3	715.1	216.6	16,230.6
Disposals	(81.0)	-	(2,192.5)	(770.3)	-	-	(977.2)	-	(29.0)	-	-	(108.4)	-	(20.8)	(4,179.2)
As at March 31, 2018	**3,383.7**	**1,848.0**	**47,424.4**	**1,045.2**	**-**	**303.4**	**87,212.8**	**21.1**	**3,730.0**	**0.4**	**2.7**	**1,123.0**	**721.4**	**1,948.4**	**148,764.5**
Accumulated depreciation and impairment															
As at April 01, 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**
Consolidation adjustments	2.2	0.6	182.6	44.7	(41.0)	-	568.1	-	48.5	-	0.3	10.4	1.5	16.8	834.7
Taken over on acquisition ^	-	-	77.2	-	-	-	298.0	-	12.6	-	-	6.9	-	0.9	395.6
Depreciation expense	-	23.0	1,781.9	685.1	-	47.6	6,854.1	0.5	272.6	-	0.4	186.7	174.9	254.4	10,281.2
Eliminated on disposals of assets	(24.7)	-	(1,734.5)	(770.3)	-	-	(724.1)	-	(35.7)	-	-	(70.1)	-	(19.2)	(3,378.6)
As at March 31, 2018	**-**	**259.7**	**11,295.8**	**891.9**	**-**	**115.7**	**40,397.5**	**20.7**	**2,178.7**	**0.4**	**0.7**	**668.5**	**176.4**	**1,168.2**	**57,174.2**
Carrying amount															
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**
As at March 31, 2018	**3,383.7**	**1,588.3**	**36,128.6**	**153.3**	**-**	**187.7**	**46,815.3**	**0.4**	**1,551.3**	**-**	**2.0**	**454.5**	**545.0**	**780.2**	**91,590.3**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

NOTE : 3b OTHER INTANGIBLE ASSETS

Other than internally generated

₹ in Million

	Computer Software	Trademarks and Designs	Total
At cost or deemed cost			
As at April 01, 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
Disposals	(25.8)	(757.0)	(782.8)
As at March 31, 2017	**1,415.6**	**53,892.2**	**55,307.8**
Consolidation adjustments	14.1	653.1	667.2
Taken over on acquisition	-	550.0	550.0
Additions	332.6	8,150.8	8,483.4
Disposals	(8.7)	(343.2)	(351.9)
As at March 31, 2018	**1,753.6**	**62,902.9**	**64,656.5**
Accumulated amortisation and impairment			
As at April 01, 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**
Consolidation adjustments	9.8	541.1	550.9
Amortisation expense	219.7	4,497.5	4,717.2
Eliminated on disposals of assets	(8.6)	(343.3)	(351.9)
As at March 31, 2018	**1,133.2**	**22,654.2**	**23,787.4**
Carrying amount			
As at March 31, 2017	**503.3**	**35,933.3**	**36,436.6**
As at March 31, 2018	**620.4**	**40,248.8**	**40,869.1**

Footnotes :
(a) Buildings include ₹ 8,620 (As at March 31, 2017: ₹ 8,620) towards cost of shares in a co-operative housing society and also includes ₹ 4.5 Million (March 31, 2017: ₹ 4.5 Million) towards cost of flats not registered in the name of the Parent Company but is entitled to right of use and occupancy.
(b) Excludes Assets classified as held for sale (Refer note 66).
(c) Deletions / adjustments during the previous year includes refund received from authorities in respect of dismantling charges.
(d) Borrowing cost capitalised during the year ₹ Nil (March 31, 2017: ₹ 110.3 Million)
(e) The aggregate depreciation has been included under depreciation and amortisation expense in the statement of profit and loss.
(f) For details of assets pledged as security refer note 67 and 68.
* Refer note 55
^ Refer note 76

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

4. INVESTMENTS IN ASSOCIATES (NON-CURRENT)

	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
Carrying amount determined using equity method of accounting				
Unquoted, fully paid				
Investments in equity instruments				
Medinstill LLC	**1,999**	**1,436.4**	1,999	1,110.2
Investments in limited partnership [Refer note 39 (z)]				
Fraizer Healthcare VII, L.P.	**-**	**-**	-	1,436.9
Versant Venture Capital V, L.P.	**-**	**-**	-	951.4
Investments in limited liability partnership				
Trumpcard Advisors and Finvest LLP	**-**	**444.6**	-	312.5
Generic Solar Power LLP [₹ 28,760 (As at March 31, 2017: ₹ 28,760)]	**-**	**0.0**	-	0.0
Quoted, fully paid				
Investments in equity instruments (At cost, less impairment in value of investments)				
scPharmaceuticals Inc.	**2,167,679.0**	**867.6**	-	794.4
Zenotech Laboratories Limited [Shares of ₹ 10 each fully paid [Refer note 39 (t)]	**-**	**-**	16,128,078	2,463.5
Less: Impairment in value of investment		**-**		(2,463.5)
		2,748.6		**4,605.4**
Aggregate carrying value of unquoted investments		**1,881.0**		3,811.0
Aggregate book value (carrying value) of quoted investments		**867.6**		2,463.5
Market value of quoted investment		**1,745.3**		570.1
Aggregate amount of impairment in value of investments in an associate		**-**		2,463.5

5. INVESTMENTS IN JOINT VENTURES (NON-CURRENT)

	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
Carrying amount determined using equity method of accounting				
Unquoted, fully paid				
Investments in equity instruments				
MSD-Sun, LLC	**-**	**-**	10,564	0.7
S&I Ophthalmic LLC	**-**	**-**	-	183.9
Artes Biotechnology GmbH	**15,853**	**252.8**	15,853	244.9
		252.8		**429.5**
Aggregate carrying value of unquoted investments		**252.8**		429.5

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

6. INVESTMENTS (NON-CURRENT)

	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
In equity instruments				
Quoted - At fair value through other comprehensive income				
Impax Laboratories Inc., Shares of USD 0.01 each fully paid	**2,868,623**	**3,622.8**	2,868,623	2,353.4
Krebs Biochemicals and Industries Limited Shares of ₹ 10 each fully paid	**1,050,000**	**172.3**	1,050,000	105.1
Krystal biotech, Inc. Shares of USD 0.00001 each fully paid	**914,107**	**598.9**	-	-
In equity instruments				
Unquoted				
Shimal Research Laboratories Limited Shares of ₹ 10 each fully paid	**9,340,000**	**934.0**	9,340,000	934.0
Less: Impairment in value of investment		**(934.0)**		(934.0)
Biotech Consortium India Limited Shares of ₹ 10 each fully paid	**50,000**	**0.5**	50,000	0.5
Less: Impairment in value of investment		**(0.5)**		(0.5)
Reanal Finomvegyszergyar Zrt. (Reanal Ltd)	**38,894**	**168.2**	38,894	167.0
Less: Impairment in value of investment		**(168.2)**		(167.0)
Others		**20.2**		293.2
In government securities				
Quoted - At fair value through other comprehensive income				
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**	**27.1**	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**	**27.2**	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
Government of Telangana UDAY non -SLR bond 7.62% Bond of ₹ 1 each fully paid maturing March 07, 2026	**100,000,000**	**96.5**	-	-
Government of Telangana UDAY non -SLR bond 7.98% Bond of ₹ 1 each fully paid maturing March 07, 2030	**100,000,000**	**97.6**	-	-
Government of Tamil Nadu UDAY non -SLR bond 8.24% Bond of ₹ 1 each fully paid maturing March 22, 2028	**50,000,000**	**51.0**	-	-
Unquoted				
National Savings Certificates [₹ 10,000 (March 31, 2017: ₹ 10,000)]	-	**0.0**	-	0.0
Quoted - At fair value through other comprehensive income				
Others *	-	**3,310.2**	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
In debentures/bonds				
Quoted - At fair value through other comprehensive income				
Housing Development Finance Corporation Ltd - 9.9% Non-convertible Debentures of ₹ 1,000,000 each fully paid	**250**	**253.5**	250	259.4
National Highways Authority of India - 8.2% Bonds of ₹ 1,000 each fully paid of maturing on January 25, 2022	**61,809**	**66.1**	61,809	66.7
Power Finance Corporation Ltd (Series I) -8.2% Bonds of ₹ 1,000 each fully paid of maturing on February 01, 2022	**142,393**	**152.2**	142,393	153.6
Indian Railway Finance Corporation Ltd - 8/8.15% Bonds of ₹ 1,000 each fully paid of maturing on February 23, 2022	**163,131**	**173.5**	163,131	175.1
Investment in Bonds (various small denomination investments)	**-**	**11,340.5**	-	-
ONGC Videsh 4.625% Regd. Notes	**16,000,000**	**1,067.4**	-	-
NTPC 4.375% Regd. Euro Medium Term Notes	**10,000,000**	**661.4**	-	-
State Bank of India 4.875%	**700,000**	**476.1**	-	-
Other investments - Unquoted		**5,306.6**		608.5
		27,521.1		**4,575.1**
Aggregate book value (carrying value) of quoted investments		**22,194.3**		3,673.4
Aggregate amount of quoted investments at market value		**22,194.3**		3,673.4
Aggregate amount of unquoted investments before impairment		**6,429.5**		2,003.2
Aggregate amount of impairment in value of investments		**1,102.7**		1,101.5

*includes investment in various small denomination U.S Treasuries, certificates of deposits and commercial papers

7. LOANS (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Loans to Employees/Others *		
Secured, considered good	**10.2**	20.4
Unsecured, considered good	**22,414.5**	677.7
Doubtful	**-**	0.8
Less: allowance for bad and doubtful loans	**-**	(0.8)
	22,424.7	**698.1**

* Others: Loans given to various parties at prevailing market interest rate.

8. OTHER FINANCIAL ASSETS (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Bank deposits with more than 12 months maturity *	**1.0**	4,589.2
Margin money/ security against guarantees/ commitments	**2.2**	-
Security deposits - unsecured, considered good	**653.8**	462.0
Derivatives designated as hedges	**-**	67.1
Derivatives not designated as hedges	**82.8**	627.7
Others#	**309.4**	706.2
	1,049.2	**6,452.2**

* includes deposits pledged with government authorities of ₹ 1.0 Million (March 31, 2017 : ₹ 1.6 Million)
# includes receivable towards sale of manufacturing facility

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

9. INCOME TAX ASSET (NET) [NON-CURRENT]

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Advance income tax (net of provisions)*	**31,896.6**	31,250.1
	31,896.6	**31,250.1**

* includes amount paid under protest

10. OTHER NON-CURRENT ASSETS

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Capital advances	**4,430.3**	3,971.7
Prepaid expenses	**91.0**	91.1
Balances with government authorities*	**1,122.1**	2,058.5
Other assets	**16.7**	740.5
	5,660.1	**6,861.8**

* includes amount paid under protest

11. INVENTORIES

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Lower of cost and net realisable value		
Raw materials and packing materials	**24,360.1**	21,212.3
Goods in transit	**261.1**	598.7
	24,621.2	**21,811.0**
Work-in-progress	**14,514.2**	15,467.2
Finished goods	**22,429.0**	24,986.8
Stock-in-trade	**6,217.1**	4,614.3
Goods in transit	**25.5**	94.7
	6,242.6	**4,709.0**
Stores and spares	**999.0**	1,350.9
Goods in transit	**0.9**	3.2
	999.9	**1,354.1**
	68,806.9	**68,328.1**

(i) Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write downs of inventories amounted to ₹ 10,437.8 Million (March 31, 2017: ₹ 9,174.9 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 67 and 68.

(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, 2018

12. INVESTMENTS (CURRENT)

	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
In Government securities				
Quoted (Fair value through other comprehensive income)				
Government of Rajasthan UDAY non -SLR bond 7.75% Bond of ₹ 1 each fully paid maturing June 23, 2018	**27,400,000**	**26.9**	-	-
Investment in others@		**22,087.4**		
In equity instruments				
Quoted (Fair value through other comprehensive income)				
FS Invt Corp Com	**-**	**-**	22,316	14.2
In bonds/debentures				
Quoted (Fair value through other comprehensive income)				
I Shares New York Amt Free Muni	**-**	**-**	6,032	43.1
SPDR Ser TR Barclays Long	**-**	**-**	-	2.0
Investment in Bonds (various small denomination investments)	**-**	**13,612.4**	-	170.8
In mutual funds *				
Unquoted				
Unit of ₹ 10 each	**-**	**-**		3.1
Unit of ₹ 100 each		**420.7**		400.1
Unit of ₹ 1000 each		**4,756.5**		1,675.5
In equity instruments				
Unquoted		**2.3**		-
		40,906.2		**2,308.8**

* Investments in mutual funds have been fair valued at closing net asset value (NAV).
@ includes investment in various small denomination U.S Treasuries, certificates of deposits and commercial papers

	As at March 31, 2018	As at March 31, 2017
Aggregate book value (carrying value) of quoted investments	**35,726.7**	230.1
Aggregate amount of quoted investments at market value	**35,726.7**	230.1
Aggregate amount of unquoted investments before impairment	**5,179.5**	2,078.7
Aggregate amount of impairment in value of investments	**-**	-

13. TRADE RECEIVABLES

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Unsecured		
Considered good	**78,152.8**	72,026.1
Considered doubtful	**3,142.9**	2,109.9
	81,295.7	**74,136.0**
Less: allowance for doubtful debts (expected credit loss allowance)	**(3,142.9)**	(2,109.9)
	78,152.8	**72,026.1**

14. CASH AND CASH EQUIVALENTS

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Balance with banks		
In current accounts	**55,137.3**	49,192.3
In deposit accounts with original maturity less than 3 months	**24,099.3**	35,576.1
Cheques, drafts on hand	**10.6**	1,813.9
Cash on hand	**6.5**	45.7
	79,253.7	**86,628.0**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

15. BANK BALANCES OTHER THAN DISCLOSED IN NOTE 14 ABOVE

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Deposit accounts (*)	**19,610.3**	64,573.9
Earmarked balances with banks		
Unpaid dividend accounts	**73.0**	59.3
Balances held as margin money or security against guarantees and other commitments (*)	**356.8**	147.2
	20,040.1	**64,780.4**

(*) Other bank balances include deposits amounting to ₹ 115.8 Million (March 31, 2017: ₹ 25,700.8 Million) and margin monies amounting to ₹ 327.7 Million (March 31, 2017: ₹ 70.2 Million) which have an original maturity of more than 12 months.

16. LOANS (CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Loans to related parties		
Unsecured, considered good	-	454.0
Considered doubtful (Refer notes 69 and 75)	-	512.0
Less: allowance for doubtful loans	-	(512.0)
	-	**454.0**
Loans to Employees/Others*		
Secured, considered good	**18.2**	8.7
Unsecured, considered good	**896.1**	9,728.1
Considered doubtful	**4.5**	4.5
Less: allowance for doubtful loans	**(4.5)**	(4.5)
	914.3	**9,736.8**
	914.3	**10,190.8**

* Others: Loans given to various parties at prevailing market interest rate.

17. OTHER FINANCIAL ASSETS (CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Interest accrued on investments/balances with banks	**316.0**	599.9
Interest accrued and due on loans (Refer note 69)		
Considered good	-	0.2
Considered doubtful	-	214.9
Less: allowance for doubtful interest accrued and due on loans	-	(214.9)
	-	**0.2**
Security deposits (unsecured, considered good)	**107.1**	70.9
Derivatives not designated as hedges	**700.7**	627.7
Refund due from government authorities	**2,079.4**	-
Others *	**1,592.3**	959.8
	4,795.5	**2,258.5**

* As at March 31, 2018 and as at March 31, 2017 includes receivable towards sale of assets/manufacturing facilities.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

18. OTHER CURRENT ASSETS

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Export incentives receivable	**2,701.0**	2,159.2
Prepaid expenses	**1,212.2**	2,601.6
Advances for supply of goods and services		
Considered good	**6,525.6**	9,023.1
Considered doubtful	**328.8**	206.3
Less : allowance for doubtful	**(328.8)**	(206.3)
Balances with government authorities*	**12,739.2**	8,997.8
Others	**311.5**	168.2
	23,489.5	**22,949.9**

* includes balances of goods and service tax.

19. EQUITY SHARE CAPITAL

	As at March 31, 2018		As at March 31, 2017	
	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
Cumulative preference shares of ₹ 100 each	**100,000**	**10.0**	100,000	10.0
	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)	**2,399,323,180**	**2,399.3**	2,399,260,815	2,399.3
	2,399,323,180	**2,399.3**	**2,399,260,815**	**2,399.3**

20. OTHER EQUITY

₹ in Million

	As at March 31, 2018	As at March 31, 2017
A) **Share application money pending allotment** (March 31, 2017: ₹ 7,177)	**-**	0.0
B) **Reserves and surplus**		
Capital reserve	**507.5**	507.5
Securities premium reserve	**11,929.1**	11,894.6
Debenture redemption reserve	**1,250.0**	2,083.4
Share options outstanding account	**-**	26.4
Amalgamation reserve	**43.8**	43.8
Capital redemption reserve	**7.5**	7.5
Legal reserve	**3.6**	1.1
General reserve	**35,578.0**	35,578.0
Retained earnings	**317,641.5**	306,456.9
C) **Items of other comprehensive income (OCI)**		
Debt instrument through other comprehensive income	**(93.9)**	(3.4)
Equity instrument through other comprehensive income	**1,648.6**	339.7
Foreign currency translation reserve	**10,120.1**	7,015.7
Effective portion of cash flow hedges	**(29.5)**	46.2
Total reserves and surplus	**378,606.3**	**363,997.4**

Refer statement of changes in equity for detailed movement in other equity balances

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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.

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 will be transferred to retained earning on redemption of debentures.

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

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 the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Debt instrument through OCI - This represents the cumulative gain and loss arising on fair valuation of debt instruments measured through other comprehensive income. This amount will be reclassified to profit and loss account 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 hedges 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.

21. BORROWINGS (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Redeemable non-convertible debentures (unsecured)	-	5,000.0
Term loans		
From banks (unsecured)	**15,538.7**	7,498.2
From banks (secured)	**1,035.3**	1,085.2
From department of biotechnology (secured)	**108.2**	108.2
Long-term maturities of finance lease obligations (secured)	**1,033.4**	662.5
Deferred payment liabilities (unsecured - at amortised cost)	**5.3**	6.7
	17,720.9	**14,360.8**

(Refer notes 55 and 67 for borrowings [Non-Current])

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

22. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Interest accrued	**9.1**	-
Other financial liabilities*	**307.4**	1,048.0
	316.5	**1,048.0**

* includes contractual and expected milestone obligations.

23. PROVISIONS (NON-CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Employee benefits (Refer note 56)	**2,219.0**	3,146.3
Others (Refer note 61)	**1,825.6**	8,964.8
	4,044.6	**12,111.1**

24. OTHER NON-CURRENT LIABILITIES

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Deferred revenue	**120.7**	105.7
Others	**145.3**	153.4
	266.0	**259.1**

25. BORROWINGS (CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Loans repayable on demand		
From banks (secured)	**-**	198.1
From banks (unsecured)	**23,810.6**	47,046.5
From others (unsecured)	**-**	1,001.4
Other loans		
From banks (unsecured)	**16,881.9**	-
Commercial paper (unsecured)	**39,104.5**	18,303.2
	79,797.0	**66,549.2**

(Refer note 68 for Borrowings [current])

26. TRADE PAYABLES

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Dues to micro and small enterprises	**125.8**	123.8
Others	**47,536.2**	43,830.1
	47,662.0	**43,953.9**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

27. OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Current maturities of long-term debt (Refer note 67)	**6,106.3**	17,368.2
Current maturities of finance lease obligations (Refer notes 55 and 67)	**228.5**	39.5
Interest accrued	**335.5**	384.1
Unpaid dividends	**86.4**	76.6
Security deposits	**151.3**	179.4
Payables for purchase of property, plant and equipment	**4,141.2**	1,940.7
Derivatives designated as hedges	**35.8**	26.6
Derivatives not designated as hedges	**143.7**	217.4
Others*	**2,148.5**	1,883.8
	13,377.2	**22,116.3**

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

28. OTHER CURRENT LIABILITIES

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Statutory remittances	**4,887.5**	3,082.7
Advance from customers	**301.1**	1,205.8
Deferred revenue	**48.4**	13.4
Others	**145.1**	318.6
	5,382.1	**4,620.5**

29. PROVISIONS (CURRENT)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Employee benefits (Refer note 56)	**2,756.8**	2,220.3
Others (Refer note 61)	**48,339.8**	37,938.8
	51,096.6	**40,159.1**

30. CURRENT TAX LIABILITIES (NET)

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Provision for income tax [Net of advance income tax]	**1,328.3**	1,471.2
	1,328.3	**1,471.2**

31. REVENUE FROM OPERATIONS

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (Refer note 71)	**260,659.4**	302,642.3
Other operating revenues	**4,235.2**	13,142.1
	264,894.6	**315,784.4**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

32. OTHER INCOME

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on:		
Bank deposits at amortised cost	**1,399.0**	1,602.3
Loans at amortised cost	**921.4**	769.3
Investments carried at amortised cost	**-**	73.4
Investments in debt instruments at fair value through other comprehensive income	**553.9**	61.0
Investments carried at fair value through profit or loss	**-**	9.7
Other financial assets carried at amortised cost	**921.3**	852.7
Others (includes interest on income tax refund)	**1,402.0**	343.3
	5,197.6	**3,711.7**
Dividend income on investments	**371.6**	420.5
Net gain on sale of financial assets measured at fair value through profit or loss	**234.0**	479.3
Net gain / (loss) on sale of financial assets measured at fair value through other comprehensive income	**(7.5)**	-
Net gain arising on financial assets measured at fair value through profit or loss	**1,236.6**	72.2
Net gain on disposal of property, plant and equipment and other intangible assets	**31.3**	18.7
Sundry balances written back, net	**170.6**	618.5
Insurance claims	**258.6**	134.4
Lease rental and hire charges	**296.1**	249.4
Gain on disposal of an associate entity	**-**	201.3
Miscellaneous income	**598.7**	325.5
	8,387.6	**6,231.5**

33. COST OF MATERIALS CONSUMED

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Raw materials and packing materials		
Inventories at the beginning of the year	**21,811.0**	20,495.8
Inventories acquired on acquisition (Refer note 76)	**17.5**	171.0
Purchases during the year	**47,327.2**	52,565.2
Foreign currency translation difference	**91.5**	(174.9)
Inventories at the end of the year	**(24,621.2)**	(21,811.0)
	44,626.0	**51,246.1**

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

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the beginning of the year	**45,163.0**	42,786.5
Foreign currency translation difference	**329.8**	(339.8)
Inventories at the end of the year	**(43,185.8)**	(45,163.0)
	2,307.0	**(2,716.3)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

35. EMPLOYEE BENEFITS EXPENSE

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	**47,082.9**	43,229.1
Contribution to provident and other funds *	**3,903.7**	3,001.0
Share based payments to employees	**(1.0)**	32.3
Staff welfare expenses	**2,684.9**	2,760.6
	53,670.5	**49,023.0**

* includes gratuity expense of ₹ 450.4 Million (March 2017 ₹ 279.0 Million)

36. FINANCE COSTS

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense for financial liabilities carried at amortised cost	**4,227.8**	2,854.6
Interest expense others	**21.5**	10.9
Exchange differences regarded as an adjustment to borrowing costs	**660.6**	694.7
Unwinding of discounts on provisions	**265.8**	437.8
	5,175.7	**3,998.0**

37. OTHER EXPENSES

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of materials, stores and spare parts	**7,511.5**	6,531.0
Conversion and other manufacturing charges	**6,499.4**	6,408.8
Power and fuel	**5,599.7**	5,250.9
Rent	**1,120.8**	1,237.8
Rates and taxes	**3,237.2**	3,022.3
Insurance	**1,312.9**	1,068.2
Selling and distribution	**13,661.6**	20,736.5
Commission on sale	**1,350.0**	1,130.0
Repairs and maintenance	**4,263.1**	4,097.0
Printing and stationery	**612.3**	859.7
Travelling and conveyance	**5,190.2**	5,250.1
Freight outward and handling charges	**3,633.9**	3,339.9
Communication	**801.9**	726.1
Provision/write off for doubtful trade receivables/advances	**1,095.9**	341.8
Professional, legal and consultancy	**16,153.1**	14,642.6
Donations	**254.8**	32.1
Loss on sale/write off of property, plant and equipment and intangible assets, net	**232.9**	127.5
Net (gain) / loss on foreign currency transactions	**82.5**	(3,730.7)
Excise duty on sales	**739.2**	2,703.0
(Decrease)/increase of excise duty on inventories	**(729.7)**	(5.2)
Payment to auditors (net of input credit, where applicable)	**196.1**	232.9
Impairment in value of investments	**(725.7)**	6.8
Impairment of property, plant and equipment and goodwill other intangible assets	**26.7**	203.6
Miscellaneous expenses	**8,775.7**	10,348.6
	80,896.0	**84,561.3**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	**6,062.5**	5,270.2
Contribution to provident and other funds	**277.2**	406.3
Staff welfare expenses	**250.9**	228.0
Consumption of materials, stores and spare parts	**3,516.6**	3,976.2
Power and fuel	**322.1**	366.3
Rates and taxes	**349.6**	318.0
Rent	**89.1**	92.9
Insurance	**15.2**	41.1
Repairs and maintenance	**524.5**	583.2
Printing and stationery	**41.0**	40.2
Travelling and conveyance	**182.6**	209.6
Communication	**39.4**	57.1
Professional, legal and consultancy	**6,787.5**	7,939.4
Loss on sale/write off of property, plant and equipment and intangible assets, net	**4.8**	(0.4)
Miscellaneous expenses	**2,206.4**	1,930.4
	20,669.4	**21,458.5**
Less:		
Miscellaneous income	**2.8**	11.2
Receipts from research activities	**145.7**	423.0
	148.5	**434.2**
	20,520.9	**21,024.3**

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

	Particulars	Country of Incorporation	Proportion of ownership interest for the year ended March 31, 2018	March 31, 2017
	Parent Company			
	Sun Pharmaceutical Industries Limited			
	Direct Subsidiaries			
1	Green Eco Development Centre Limited	India	**100.00%**	100.00%
2	Sun Pharmaceutical (Bangladesh) Limited	Bangladesh	**72.50%**	72.50%
3	Sun Pharmaceutical Industries, Inc.	United States of America	**100.00%**	100.00%
4	Sun Farmaceutica do Brasil Ltda.	Brazil	**100.00%**	100.00%
5	Sun Pharma De Mexico S.A. DE C.V.	Mexico	**75.00%**	75.00%
6	SPIL De Mexico S.A. DE C.V.	Mexico	**100.00%**	100.00%
7	Sun Pharmaceutical Peru S.A.C.	Peru	**99.33%**	99.33%
8	OOO "Sun Pharmaceutical Industries" Limited	Russia	**100.00%**	100.00%
9	Sun Pharma De Venezuela, C.A.	Venezuela	**100.00%**	100.00%
10	Sun Pharma Laboratories Limited	India	**100.00%**	100.00%
11	Faststone Mercantile Company Private Limited	India	**100.00%**	100.00%
12	Neetnav Real Estate Private Limited	India	**100.00%**	100.00%
13	Realstone Multitrade Private Limited	India	**100.00%**	100.00%
14	Skisen Labs Private Limited	India	**100.00%**	100.00%
15	Sun Pharma Holdings	Mauritius	**100.00%**	100.00%
16	Softdeal Trading Company Private Limited	India	**100.00%**	100.00%
17	Ranbaxy Pharmacie Generiques	France	**100.00%**	100.00%
18	Ranbaxy Drugs Limited	India	- **(Refer note n)**	100.00%

Notes to the Consolidated Financial Statements
for the year ended March 31, 2018

	Particulars	Country of Incorporation	Proportion of ownership interest for the year ended	
			March 31, 2018	March 31, 2017
19	Vidyut Investments Limited	India	- (Refer note n)	100.00%
20	Gufic Pharma Limited	India	- (Refer note n)	100.00%
21	Ranbaxy (Malaysia) SDN. BHD.	Malaysia	**90.74%**	71.22%
22	Ranbaxy Nigeria Limited	Nigeria	**85.31%**	85.31%
23	Sun Pharma (Netherlands) B.V. (Formerly known as Ranbaxy (Netherlands) B.V.)	Netherlands	**100.00%**	100.00%
24	Foundation for Disease Elimination and Control of India	India	**100.00%**	100.00%
25	Zenotech Laboratories Limited	India	**57.56% (Refer note t & u)**	-
26	Sun Pharma Medisales Private Limited (Formerly known as Solrex Pharmaceuticals Company)	India	**- (Refer note n)**	100.00% (Refer note n)
	Step down Subsidiaries			
27	Chattem Chemicals Inc.	United States of America	**100.00%**	100.00%
28	The Taro Development Corporation	United States of America	**100.00%**	100.00%
29	Alkaloida Chemical Company Zrt.	Hungary	**99.99%**	99.99%
30	Sun Pharmaceuticals UK Limited	United Kingdom	**100.00% (Refer note w)**	100.00%
31	Sun Pharmaceutical Industries (Australia) Pty Limited	Australia	**100.00%**	100.00%
32	Aditya Acquisition Company Ltd.	Israel	**100.00%**	100.00%
33	Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	**100.00%**	100.00%
34	Sun Pharmaceuticals Italia S.R.L.	Italy	**100.00%**	100.00%
35	Sun Pharmaceuticals Spain, S.L.U.	Spain	**-**	- (Refer note g)
36	Sun Pharmaceuticals Germany GmbH	Germany	**100.00%**	100.00%
37	Sun Pharmaceuticals France	France	**100.00%**	100.00%
38	Sun Pharma Global FZE	United Arab Emirates	**100.00%**	100.00%
39	Sun Pharmaceuticals SA (Pty) Ltd	South Africa	**100.00%**	100.00%
40	Sun Global Canada Pty. Ltd.	Canada	**100.00%**	100.00%
41	Sun Pharma Philippines, Inc.	Philippines	**100.00%**	100.00%
42	Sun Pharmaceuticals Korea Ltd.	South Korea	**100.00%**	100.00%
43	Sun Global Development FZE	United Arab Emirates	**100.00%**	100.00%
44	Caraco Pharmaceuticals Private Limited	India	**100.00%**	100.00%
45	Sun Pharma Japan Ltd.	Japan	**100.00%**	100.00%
46	Sun Pharma Healthcare FZE	United Arab Emirates	**100.00%**	100.00%
47	Morley & Company, Inc.	United States of America	**100.00%**	100.00%
48	Sun Laboratories FZE	United Arab Emirates	**100.00%**	100.00%
49	Taro Pharmaceutical Industries Ltd. (Taro)	Israel (Refer note b)	**74.82%**	72.81%
50	Taro Pharmaceuticals Inc.	Canada	**74.82%**	72.81%
51	Taro Pharmaceuticals U.S.A., Inc.	United States of America	**74.82%**	72.81%
52	Taro Pharmaceuticals North America, Inc.	Cayman Islands, British West Indies	**74.82%**	72.81%
53	Taro Pharmaceuticals Europe B.V.	Netherlands	**74.82%**	72.81%
54	Taro Pharmaceuticals Ireland Ltd	Ireland	**74.82% (Refer note x)**	72.81%
55	Taro International Ltd.	Israel	**74.82%**	72.81%
56	Taro Pharmaceuticals (UK) Ltd.	United Kingdom	**74.82% (Refer note f)**	72.81%
57	Taro Hungary Intellectual Property Licensing Limited Liability Company	Hungary	**-**	- (Refer note h)
58	3 Skyline LLC	United States of America	**74.82%**	72.81%
59	One Commerce Drive LLC	United States of America	**74.82%**	72.81%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

	Particulars	Country of Incorporation	Proportion of ownership interest for the year ended	
			March 31, 2018	March 31, 2017
60	Taro Pharmaceutical Laboratories Inc.	United States of America	**74.82%**	72.81%
61	Taro Pharmaceuticals Canada, Ltd.	Canada	**74.82%**	72.81%
62	Taro Pharmaceutical India Private Limited	India	**-** **(Refer note i)**	72.81% (Refer note i)
63	Alkaloida Sweden AB	Sweden	**100.00%**	100.00%
64	Dusa Pharmaceuticals, Inc.	United States of America	**100.00%**	100.00%
65	Dusa Pharmaceuticals New York, Inc.	United States of America	**-**	- (Refer note j)
66	Sirius Laboratories Inc	United States of America	**-**	- (Refer note k)
67	Mutual Pharmaceutical Company Inc.	United States of America	**100.00%**	100.00%
68	Dungan Mutual Associates, LLC	United States of America	**100.00%**	100.00%
69	URL PharmPro, LLC	United States of America	**100.00%**	100.00%
70	2 Independence Way LLC	United States of America	**100.00%**	100.00%
71	Thallion Pharmaceutical Inc.,	United States of America	**-**	- (Refer note l)
72	Universal Enterprises Private Limited	India	**100.00%**	100.00%
73	Sun Pharma Switzerland Ltd.	Switzerland	**100.00%**	100.00%
74	Sun Pharma East Africa Limited	Kenya	**100.00%**	100.00%
75	Pharmalucence, Inc.	United States of America	**100.00%**	100.00%
76	PI Real Estate Ventures, LLC	United States of America	**100.00%**	100.00%
77	Sun Pharma ANZ Pty Ltd (Formerly known as Ranbaxy Australia Pty Ltd)	Australia	**100.00%**	100.00%
78	Ranbaxy Farmaceutica Ltda.	Brazil	**100.00%**	100.00%
79	Ranbaxy Pharmaceuticals Canada Inc.	Canada	**100.00%**	100.00%
80	Sun Pharma Egypt Limited LLC (Formerly known as Ranbaxy Egypt Ltd)	Egypt	**100.00%**	100.00%
81	Rexcel Egypt LLC	Egypt	**100.00%**	100.00%
82	Office Pharmaceutique Industriel Et Hospitalier	France	**100.00%**	100.00%
83	Basics GmbH	Germany	**100.00%**	100.00%
84	Ranbaxy GmbH	Germany	**100.00%**	100.00%
85	Ranbaxy Ireland Limited	Ireland	**100.00%**	100.00%
86	Ranbaxy Italia S.P.A.	Italy	**100.00%**	100.00%
87	Sun Pharmaceutical Industries S.A.C. (Formerly known as Ranbaxy - PRP (Peru) S.A.C.)	Peru	**100.00%**	100.00%
88	Ranbaxy (Poland) SP. Z O.O.	Poland	**100.00%**	100.00%
89	Terapia SA	Romania	**96.81%**	96.70%
90	AO Ranbaxy (Formerly known as ZAO Ranbaxy)	Russia	**100.00%**	100.00%
91	Ranbaxy South Africa (Pty) Ltd	South Africa	**100.00%**	100.00%
92	Ranbaxy Pharmaceuticals (Pty) Ltd	South Africa	**100.00%**	100.00%
93	Be-Tabs Investments (Pty) Ltd	South Africa	**100.00%**	100.00%
94	Sonke Pharmaceuticals Proprietary Limited	South Africa	**70.00%**	70.00%
95	Laboratorios Ranbaxy, S.L.U.	Spain	**100.00%**	100.00%
96	Ranbaxy (U.K.) Limited	United Kingdom	**100.00%**	100.00%
97	Ranbaxy Holdings (U.K.) Limited	United Kingdom	**100.00%**	100.00%
98	Ranbaxy Europe Limited	United Kingdom	**100.00%** **(Refer note y)**	100.00%
99	Ranbaxy Inc.	United States of America	**100.00%**	100.00%
100	Ranbaxy Pharmaceuticals, Inc.	United States of America	**-** **(Refer note v)**	100.00%
101	Ranbaxy (Thailand) Co., Ltd.	Thailand	**100.00%**	100.00%
102	Ohm Laboratories, Inc.	United States of America	**100.00%**	100.00%
103	Ranbaxy Laboratories, Inc.	United States of America	**-** **(Refer note v)**	100.00%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Particulars		Country of Incorporation	Proportion of ownership interest for the year ended	
			March 31, 2018	March 31, 2017
104	Ranbaxy Signature LLC	United States of America	**67.50%**	67.50%
105	Sun Pharmaceuticals Morocco LLC (Formerly known as Ranbaxy Morocco LLC)	Morocco	**100.00%**	100.00%
106	"Ranbaxy Pharmaceuticals Ukraine" LLC	Ukraine	**100.00%**	100.00%
107	Perryton Wind Power LLC	United States of America	**-**	- (Refer note m)
108	Insite Vision Incorporated	United States of America	**100.00%**	100.00%
109	Insite Vision Ltd.	United Kingdom	**- (Refer note aa)**	100.00%
110	Ocular Technologies SARL	Switzerland	**- (Refer note s)**	100.00%
111	Sun Pharmaceutical Medicare Limited	India	**100.00%**	100.00%
112	JSC Biosintez	Russia	**85.10%**	85.10%
113	Sun Pharmaceuticals Holdings USA, Inc.	United States of America	**100.00%**	100.00%
114	Zenotech Laboratories Nigeria Limited	Nigeria	**57.50% (Refer note u)**	-
115	Zenotech Inc	United States of America	**57.56% (Refer note u)**	-
116	Zenotech Farmaceutica Do Brasil Ltda	Brazil	**38.21% (Refer note u)**	-
	Name of Joint Venture Entities			
117	MSD - Sun LLC	United States of America	**- (Refer note o)**	50.00%
118	S & I Ophthalmic LLC	United States of America	**- (Refer note q)**	50.00%
119	Artes Biotechnology GmbH	Germany	**45.00%**	45.00%
	Name of Subsidiary of Joint Venture Entity			
120	MSD - Sun FZ LLC	United Arab Emirates	**-**	- (Refer note p)
	Name of Associates			
121	Zenotech Laboratories Limited	India	**- (Refer note t)**	46.84%
122	Daiichi Sankyo (Thailand) Ltd.	Thailand	**-**	- (Refer note r)
123	Medinstill LLC	United States of America	**19.99%**	19.99%
124	Fraizer Healthcare VII, L.P.	United States of America	**- (Refer note z)**	6.83%
125	Versant Venture Capital V, L.P.	United States of America	**- (Refer note z)**	7.75%
126	Generic Solar Power LLP	India	**28.76%**	28.76%
127	scPharmaceuticals Inc.	United States of America	**11.69%**	14.58%
128	Trumpcard Advisors and Finvest LLP	India	**40.61%**	40.61%
	Name of Subsidiary of Associates			
129	Composite Power Generation LLP	India	**36.90%**	36.90%
130	Vintage Power Generation LLP	India	**39.41%**	39.41%
131	Vento Power Generation LLP	India	**40.55%**	40.55%
132	HRE LLC	United States of America	**19.99%**	19.99%
133	HRE II LLC	United States of America	**19.99%**	19.99%
134	HRE III LLC	United States of America	**19.99%**	19.99%
135	Dr. Py Institute LLC	United States of America	**19.99%**	19.99%
136	Medinstill Development LLC	United States of America	**19.99%**	19.99%
137	ALPS LLC	United States of America	**19.99%**	19.99%
138	Intact Pharmaceuticals LLC	United States of America	**19.99%**	19.99%
139	Intact Skin Care LLC	United States of America	**19.99%**	19.99%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

b Following are the details of the Group's holding in Taro:

	March 31, 2018	March 31, 2017
Voting power	**83.21%**	81.87%
Beneficial ownership	**74.82%**	72.81%

c In respect of entities at Sr. Nos. 4 to 8, 90,106, 107, 108, 109, 110, 112 and 119 the reporting date is as of December 31, 2017 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, 2017 to March 31, 2017 and January 01, 2018 to March 31, 2018, on the basis of their management accounts for the said periods.

d Entities at Sr. No. 25 and 114 to 116 have been acquired during the year ended March 31, 2018.

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 Taro Pharmaceuticals (UK) Limited is under Liquidation.

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 has been liquidated on April 04, 2017.

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 March 16, 2017, Thallion Pharmaceutical Inc. was acquired and merged with Taro Pharmaceuticals Inc.

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

n During the year 2016-17 , Solrex Pharmaceuticals Company, a partnership firm was converted into company which is known as Sun Pharma Medisales Private Limited. The Board of Directors of the Company at their meeting held on November 10, 2016 and the shareholders and unsecured creditors of the Company at their respective meetings held on June 20, 2017 approved the proposed scheme of arrangement u/s 230 to 232 of the Companies Act, 2013 for amalgamation of Sun Pharma Medisales Private Limited, Ranbaxy Drugs Limited, Gufic Pharma Limited and Vidyut Investments Limited into the Company with effect from April 01, 2017, the appointed date. On completion of all the formalities of the merger of the above companies with the Company , the said merger became effective September 08, 2017.

o With effect from June 19, 2017 MSD - Sun LLC is liquidated

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

q With effect from December 21, 2017 S & I Ophthalmic LLC has been dissolved.

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

s With effect from April 01, 2017 vide certificate dated August 09, 2017 Ocular Technologies SARL has been merged with Sun Pharma Switzerland Limited.

t With effect from July 27, 2017 Zenotech Laboratories Limited has ceased to be an associate and has become a subsidiary of Sun Pharmaceutical Industries Limited.

u Books of accounts and other related records/documents of the overseas subsidiaries of the Zenotech Laboratories Limited were missing and due to non-availability of those records/ information, Zenotech Laboratories Limited is unable to prepare consolidated accounts.

v With effect from August 01, 2017, Ranbaxy Pharmaceuticals, Inc. and Ranbaxy Laboratories, Inc. have been merged with Sun Pharmaceutical Industries Inc.

w With effect from May 20, 2018 Sun Pharmaceuticals UK Limited has been dissolved.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

x Taro Pharmaceuticals Ireland Limited is under Liquidation.

y Ranbaxy Europe Limited is under Liquidation.

z Fraizer Healthcare VII, L.P. and Versant Venture Capital V, L.P. were treated as associates till March 31, 2017 and are now being classified and measured as investments at fair value through profit and loss.

aa With effect from April 25, 2017 Insite Vision Ltd. has been dissolved.

ab 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.

40 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

₹ in Million

		As at March 31, 2018	As at March 31, 2017
A)	**Contingent liabilities**		
I)	Claims against the Group not acknowledged as debts	**855.4**	1,147.6
II)	Liabilities disputed - appeals filed with respect to:		
	Income tax on account of disallowances / additions	**59,274.1**	56,712.6
	Sales tax on account of rebate / classification	**122.5**	45.7
	Excise duty on account of valuation / cenvat credit	**2,290.4**	4,548.1
	Environment cess	**23.3**	23.3
	ESIC contribution on account of applicability	**130.5**	132.8
	Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, enjoyed by the Group	**3,488.2**	3,488.2
	Demand by JDGFT for import duty with respect to import alleged to be in excess of entitlement as per the Advanced Licence Scheme	**17.4**	16.7
	Fine imposed for anti-competitive settlement agreement by European Commission	**830.7**	715.4
	Octroi demand on account of rate difference	**171.0**	171.0
	Other matters - State Electricity Board, Punjab Land Preservation Act related matters etc.	**77.4**	126.0
	Note: Includes interest till date of demand, wherever applicable.		
III)	Legal proceedings The 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. Most of these legal proceedings involve various complex issues on account of which, making a reliable estimate of the expected financial effect is not always attainable and involves significant uncertainties. To the extent that the Company 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 Company records a provision in the financial statements. The Company 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 Company 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.		
	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**	**2,850.6**	2,250.5

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

41 COMMITMENTS

₹ in Million

		As at March 31, 2018	As at March 31, 2017
I)	Estimated amount of contracts remaining to be executed on capital account (net of advances)	**19,579.2**	6,089.7
II)	Derivative related commitments - forward foreign exchange contracts [Refer note 47(c)]		
III)	Lease related commitments [Refer note 55]		
IV)	Investment related commitments	**2,873.3**	1,715.2
V)	Letters of credit for imports	**1,300.3**	2,362.0

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

	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Equity shares of ₹ 1 each				
Opening balance	**2,399,260,815**	**2,399.3**	2,406,605,118	2,406.6
Add: shares allotted to employees on exercise of employee stock options (excluding shares held by ESOP trust) (* : ₹ 62,365)	**62,365**	*** 0.0**	155,697	0.2
Less: buy-back of shares (Refer note 65)	-	-	(7,500,000)	(7.5)
Closing balance	**2,399,323,180**	**2,399.3**	2,399,260,815	2,399.3

iii The movement of shares issued to ESOP Trust at face value is as follows:

	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Equity shares of ₹ 1 each				
Opening balance (March 31, 2018 : * : ₹ 30,366)	**30,366**	*** 0.0**	123,381	0.1
Less: shares allotted by ESOP trust on exercise of employee stock options (March 31, 2018 : * : ₹ 30,366)	**(30,366)**	*** (0.0)**	(93,015)	(0.1)
Closing balance (March 31, 2017 : ₹ 30,366)	-	-	30,366	0.0

iv 1,035,581,955 (upto March 31, 2017: 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, 2017: 334,956,764) 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.

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

vii 7,500,000 (upto March 31, 2017: 7,500,000) 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 previous year were cancelled immediately. (Refer note 65)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

viii Equity shares held by each shareholder holding more than 5 percent equity shares in the Parent Company are as follows:

Name of Shareholders	As at March 31, 2018		As at March 31, 2017	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Dilip Shantilal Shanghvi	**230,285,690**	**9.6**	230,285,690	9.6
Viditi Investment Pvt. Ltd.	**200,846,362**	**8.4**	200,846,362	8.4
Tejaskiran Pharmachem Industries Pvt. Ltd.	**194,820,971**	**8.1**	194,820,971	8.1
Family Investment Pvt. Ltd.	**182,437,880**	**7.6**	182,437,880	7.6
Quality Investments Pvt. Ltd.	**182,379,237**	**7.6**	182,379,237	7.6
Life Insurance Corporation of India*	**145,302,877**	**6.1**	106,329,652	4.4

*Shareholding has been consolidated on the basis of PAN as per SEBI circular dated December 19, 2017

43 RESEARCH AND DEVELOPMENT EXPENDITURE

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Revenue, net (excluding depreciation) [Refer note 38]	**20,520.9**	21,024.3
Capital	**1,819.4**	1,679.3
Total	**22,340.3**	**22,703.6**

44 CATEGORIES OF FINANCIAL INSTRUMENTS

₹ in Million

	As at March 31, 2018		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments - quoted	-	**4,394.0**	-
Equity instruments - unquoted	**22.5**	-	-
Bonds/debentures - quoted	-	**27,803.1**	-
Government securities - quoted	-	**326.3**	-
Government securities - unquoted (₹ 10,000)	-	-	**0.0**
Mutual Funds - unquoted	**5,177.2**	-	-
Others - quoted	-	**25,397.6**	-
Others - unquoted	**5,306.6**	-	-
Loans to employees/others	-	-	**23,339.0**
Trade receivables	-	-	**78,152.8**
Bank deposits with more than 12 months maturity	-	-	**1.0**
Margin money/ security against guarantees/ commitments	-	-	**2.2**
Security deposits	-	-	**760.9**
Cash and cash equivalents	-	-	**79,253.7**
Bank balances other than Cash and cash equivalents	-	-	**20,040.1**
Interest accrued on investments / balances with banks	-	-	**316.0**
Refund due from Government authorities			**2,079.4**
Other financial assets	-	-	**1,901.7**
Mandatorily measured :			
Derivatives not designated as hedges	**783.5**	-	-
Total	**11,289.8**	**57,921.0**	**205,846.8**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

₹ in Million

	As at March 31, 2018		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial liabilities			
Borrowings	**-**	**-**	**97,517.9**
Current maturities of long-term debt and finance lease obligations	**-**	**-**	**6,334.8**
Trade payables	**-**	**-**	**47,662.0**
Interest accrued	**-**	**-**	**344.6**
Unpaid dividends	**-**	**-**	**86.4**
Trade/security deposits	**-**	**-**	**151.3**
Payable for purchase of property, plant and equipment	**-**	**-**	**4,141.2**
Derivatives designated as hedges	**-**	**35.8**	**-**
Other financial liabilities	**-**	**-**	**2,455.9**
Mandatorily measured :			
Derivatives not designated as hedges	**143.7**	**-**	**-**
Total	**143.7**	**35.8**	**158,694.1**

₹ 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, 2018

₹ 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	-	-	384.1
Unpaid dividends	-	-	76.6
Trade/security deposits	-	-	179.4
Payable for 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**

45 FAIR VALUE HIERARCHY

Financial assets and liabilities measured at fair value on a recurring basis

₹ in Million

	As at March 31, 2018		
	Level 1	Level 2	Level 3
Financial assets			
Investments			
Equity instruments - quoted	**4,394.0**	**-**	**-**
Equity instruments - unquoted	**-**	**-**	**22.5**
Bonds/debentures - quoted	**27,803.1**	**-**	**-**
Government securities - quoted	**326.3**	**-**	**-**
Mutual Funds - unquoted	**5,177.2**	**-**	**-**
Others - quoted	**25,397.6**	**-**	**-**
Others - unquoted	**-**	**5,306.6**	**-**
Derivatives not designated as hedges	**-**	**783.5**	**-**
	63,098.2	**6,090.1**	**22.5**
Financial liabilities			
Derivatives not designated as hedges	**-**	**143.7**	**-**
Derivatives designated as hedges	**-**	**35.8**	**-**
	-	**179.5**	**-**

₹ in Million

	As at March 31, 2017		
	Level 1	Level 2	Level 3
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			
Derivatives not designated as hedges	-	217.4	-
Derivatives designated as hedges	-	26.6	-
	-	**244.0**	**-**

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for the year ended March 31, 2018

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.

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 periods.

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

Reconciliation of Level 3 fair value measurements

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Unlisted shares valued at fair value		
Balance at the beginning of the year	**901.7**	544.1
Purchases	**7.4**	462.8
Foreign currency translation difference	**-**	(98.4)
Others including disposal / settlements / charged to consolidated statement of profit and loss (Refer note 39 (z))	**(886.6)**	(6.8)
Balance at the end of the year	**22.5**	**901.7**

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, bank balances (excluding earmarked balances with banks) and current investments 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, 2018	As at March 31, 2017
Debt (includes non-current borrowings, current borrowings, current maturities of finance lease obligations and current maturities of long-term debt)	**103,852.7**	98,317.7
Less : cash and cash equivalents, bank balances (excluding earmarked balances with banks) and current investments	**139,770.2**	153,510.7
Net debt	**(35,917.5)**	**(55,193.0)**
Total equity, including reserves	**419,847.2**	**404,305.3**
Net debt to total equity ratio	**N.A.**	**N.A.**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

b) Dividend on equity shares paid during the year

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Dividend on equity shares		
Final dividend for the year ended March 31, 2017 of ₹ 3.5 (year ended March 31, 2016: ₹ 1.0) per fully paid share	**7,977.4**	2,406.8
Dividend distribution tax on above	**1,624.0**	490.0

Dividends not recognised at the end of the reporting period

The Board of Directors at it's meeting held on May 25, 2018 have recommended payment of final dividend of ₹ 2 per share of face value of ₹ 1 each for the year ended March 31, 2018. The same amounts to ₹ 4,798.7 Million.

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and hence not recognised as liability.

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 significant 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, 2018	As at March 31, 2017
Financial assets for which loss allowances is measured using the expected credit loss		
Trade receivables		
less than 180 days	**75,974.0**	69,889.0
180 - 365 days	**2,781.2**	1,729.0
beyond 365 days	**2,540.5**	2,518.0
Total	**81,295.7**	**74,136.0**

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for the year ended March 31, 2018

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	**2,109.9**	1,955.7
Addition	**1,358.0**	318.1
Recoveries	**(325.0)**	(163.9)
Balance at the end of the year	**3,142.9**	**2,109.9**

Other than trade receivables, the Group has no significant class of financial assets that is past due but not impaired. The Group has recognised an allowance of ₹ 4.5 Million (March 31, 2017 : ₹ 732.2 Million) against a past due loan including interest.

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 working capital lines from banks of ₹ 47,081.4 Million as on March 31, 2018, ₹ 62,162.2 Million as on March 31, 2017.

The table below provides details regarding the contractual maturities of undiscounted significant financial liabilities as at March 31, 2018:

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	Total As at March 31, 2018
Non derivative				
Borrowings	**87,043.5**	**13,796.2**	**3,936.8**	**104,776.5**
Trade payables	**47,662.0**	**-**	**-**	**47,662.0**
Other financial liabilities	**6,862.9**	**316.5**	**-**	**7,179.4**
	141,568.4	**14,112.7**	**3,936.8**	**159,617.9**
Derivatives	**179.5**	**-**	**-**	**179.5**

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**

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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, 2018					
	US Dollar	Euro	Russian Rouble	South African Rand	Japanese Yen	Total
Trade receivables	**11,716.2**	**3,600.3**	**2,096.4**	**5,759.4**	**2,058.2**	**25,230.5**
Cash and cash equivalents	**253.6**	**549.9**	**114.0**	**-**	**3.2**	**920.7**
	11,969.8	**4,150.2**	**2,210.4**	**5,759.4**	**2,061.4**	**26,151.2**
Borrowings	**34,077.3**	**1,609.4**	**-**	**-**	**-**	**35,686.7**
Trade payables	**8,620.1**	**2,778.9**	**3.0**	**185.3**	**418.1**	**12,005.4**
	42,697.4	**4,388.3**	**3.0**	**185.3**	**418.1**	**47,692.1**

₹ 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**

b) Sensitivity

For the years ended March 31, 2018 and March 31, 2017 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 ₹ 1,077.0 Million and ₹ 1,054.5 Million. 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 is 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.

Notes to the Consolidated Financial Statements

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In respect of the aforesaid hedges of highly probable forecasted transactions, the Group has recorded a loss of ₹ 75.7 Million for the year ended March 2018 and gain of ₹ 46.2 Million for year ended March 31, 2017 in other comprehensive income. The Group also recorded as a component of revenue, gain of ₹ 47.6 Million for year ended March 31, 2018 and loss of ₹ 559.7 Million for year ended March 31, 2017 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 the consolidated statement of profit and loss. 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 the consolidated statement of 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, 2018	As at March 31, 2017
Derivatives designated as hedges					
Forward contracts	ZAR	Sell	USD	-	USD 22.0
Forward Contracts	USD	Buy	JPY	**USD 31.7**	USD 19.5
Derivatives not designated as hedges					
Forward contracts	USD	Buy	INR	**USD 18.2**	USD 22.5
Forward contracts	AUD	Sell	USD	**USD 8.2**	USD 1.3
Forward contracts	RUB	Sell	USD	**USD 5.0**	USD 12.0
Forward contracts	GBP	Sell	USD	**USD 2.8**	-
Forward contracts	ZAR	Sell	USD	**USD 21.0**	-
Forward contracts	CAD	Sell	USD	**USD 3.6**	-
Currency cum interest rate swaps	USD	Buy	INR	**USD 50.0**	USD 50.0
Currency options	USD	Buy	INR	**USD 100.0**	USD 100.0
Interest rate swaps	USD	Buy	INR	**USD 150.0**	USD 150.0
Forward contracts	USD	Sell	NIS	**USD 52.2**	USD 0.7
Forward contracts	USD	Sell	CAD	**USD 53.4**	USD 2.1
Forward contracts	USD	Sell	HUF	**USD 4.5**	USD 5.9
Forward contracts	RUB	Sell	RON	**RON 4.8**	RON 11.5

Interest rate risk

The Group has loan facilities on floating interest rate, which exposes the Group to risk of changes in interest rates. The Group 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, 2018 and March 31, 2017, 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 ₹ 162.2 Million and ₹ 196.2 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, 2018, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

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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:

₹ in Million

i)

	As at March 31, 2018	As at March 31, 2017
Goodwill in respect of:		
Sun Pharmaceutical Industries, Inc. [Refer note 39(v)]	**23,564.4**	23,273.5
Sun Farmaceutica do Brasil Ltda.	**427.1**	425.3
Sun Pharma Japan Ltd.	**125.5**	119.0
Taro Pharmaceutical Industries Ltd.	**12,311.0**	12,295.6
Terapia SA	**17,361.5**	17,295.8
Ranbaxy Farmaceutica Ltda.	**359.3**	358.9
Basics GmbH	**362.1**	311.9
Ranbaxy Pharmaceuticals, Inc. [Refer note 39(v)]	**-**	290.0
Insite Vision Incorporated	**435.8**	435.3
Zenotech Laboratories Limited	**595.4**	-
Sun Pharmaceutical Industries Limited [Refer note 39(n)]	**1,677.4**	-
Sun Pharma Medisales Private Limited (Formerly known as Solrex Pharmaceuticals Company) [Refer note 39(n)]	**-**	1,208.0
Ranbaxy South Africa (Pty) Ltd	**3.8**	3.4
JSC Biosintez	**247.0**	112.6
Sun Pharmaceutical Medicare Limited	**1.0**	1.0
Gufic Pharma Limited [Refer note 39(n)]	**-**	469.4
Total (A)	**57,471.3**	**56,599.7**
Less:		
Capital reserve in respect of :		
Alkaloida Chemical Company Zrt.	**1,319.2**	1,152.5
Ranbaxy Nigeria Limited	**1.4**	1.4
Sun Pharmaceutical Industries Limited [Refer note 39(n)]	**27.5**	-
Ranbaxy Drugs Limited	**-**	27.5
Ranbaxy Malaysia SDN. BHD.	**56.1**	56.1
Total (B)	**1,404.2**	**1,237.5**
Total (A-B)	**56,067.1**	**55,362.2**

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

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Opening balance	**55,362.2**	56,347.4
Add: Due to acquisitions during the year	**595.4**	113.6
Add/ (less): Foreign currency translation difference	**109.5**	(1,098.8)
Closing balance	**56,067.1**	**55,362.2**

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 -8% to 2% for the year ended March 31, 2018, March 31, 2017. Discount rate 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 0.7% to 7.1% for the year ended March 31, 2018, March 31, 2017. 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, 2017: ₹ Nil) in the value of goodwill has been recognised.

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49 DISCLOSURES MANDATED BY THE COMPANIES ACT, 2013 SCHEDULE III PART II BY WAY OF ADDITIONAL INFORMATION IS GIVEN IN ANNEXURE 'A'.

50 INCOME TAXES

Tax Reconciliation

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Reconciliation of tax expense		
Profit before tax	**34,789.8**	90,478.7
Income tax rate in India (%)	**34.608%**	34.608%
Income tax expense calculated at corporate tax rate	**12,040.0**	**31,312.9**
Effect of deduction claimed under chapter VI of Income Tax Act, 1961	**(9,009.3)**	(8,487.2)
Effect of income that is exempt from tax	**(76.4)**	(118.5)
Effect of expenses that are not deductible in determining taxable profit	**122.5**	152.3
Incremental deduction allowed on account of research and development costs and other allowances	**(1,690.0)**	(2,959.5)
Investment allowance deduction	**(16.6)**	(295.1)
Effect of income which is taxed at special rates	**(2,236.0)**	(1,943.3)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**6,392.9**	5,193.2
Effect of difference between Indian and foreign tax rates and non taxable subsidiaries	**(3,536.9)**	(12,658.7)
Effect of deferred tax expense on undistributed profits	**582.3**	415.3
Effect of deferred tax expense exceptional item (Refer note 74)	**2,544.5**	-
Tax payable under MAT	**2,510.0**	2,100.0
Others	**824.9**	(595.7)
Income tax expense recognised in consolidated statement of profit and loss	**8,451.9**	**12,115.7**

51 DEFERRED TAX

i) Deferred tax assets (Net)

₹ in Million

	Opening balance April 01, 2017	Profit/(loss) movement during the Year *	Other comprehensive income movement during the Year *	Closing balance March 31, 2018
Deferred tax assets				
Expenses claimed for tax purpose on payment basis	7,991.6	(3,058.4)	(229.9)	**4,703.3**
Unabsorbed depreciation / carried forward losses	6,031.5	213.8	-	**6,245.3**
Inventory and other related items	3,569.6	(1,696.0)	-	**1,873.6**
Intangible assets	2,851.0	1,015.4	-	**3,866.4**
Others	1,452.2	2,485.5	-	**3,937.7**
	21,895.9	**(1,039.7)**	**(229.9)**	**20,626.3**
MAT credit entitlement	7,517.0	-	-	**7,517.0**
	29,412.9	**(1,039.7)**	**(229.9)**	**28,143.3**
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	4,306.9	820.4	-	**5,127.3**
Others	177.8	882.6	17.8	**1,078.2**
	4,484.7	**1,703.0**	**17.8**	**6,205.5**
	24,928.2	**(2,742.7)**	**(247.7)**	**21,937.8**

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for the year ended March 31, 2018

ii) Deferred tax liabilities (Net)

₹ in Million

	Opening balance April 01, 2017	Profit/(loss) movement during the Year *	Other comprehensive income movement during the Year *	Closing balance March 31, 2018
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	3,678.7	(1,797.4)	-	**1,881.3**
Undistributed profits	-	984.5	-	**984.5**
	3,678.7	**(812.9)**	**-**	**2,865.8**
Less : Deferred tax assets				
Expenses claimed for tax purpose on payment basis	469.4	(157.0)	(44.9)	**267.5**
Others	61.4	344.0	3.3	**408.7**
	530.8	**187.0**	**(41.6)**	**676.2**
	3,147.9	**(999.9)**	**41.6**	**2,189.6**

Out of a MAT credit entitlement of ₹ 8,222.7 Million which was written down by the erstwhile RLL during the quarter ended December 31, 2014, an amount of ₹ 7,517.0 Million was recognised by the Company in the year ended March 31, 2015, on a reassessment by the Management, based on convincing evidence that the combined amalgamated entity would pay normal income tax during the specified period and would therefore be able to utilize the MAT credit entitlement so recognised.

* Movement during the year includes foreign currency translation difference amounting to ₹ 81.1 Million (loss) for the year ended March 31, 2018.

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, 2018	As at March 31, 2017
Tax losses	**101,672.0**	81,776.7
Unabsorbed depreciation	**31,260.2**	24,900.1
Unused tax credits (Including MAT credit entitlement)	**7,606.1**	8,178.9
Deductible temporary differences	**22,933.0**	25,892.5
	163,471.3	**140,748.2**

The unused tax credits will expire from financial year 2018-19 to financial year 2028-29 and unused tax losses expiry ranges from financial year 2018-19 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.

52 EARNINGS PER SHARE

	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year (₹ in Million) - used as numerator for calculating earnings per share	**21,615.5**	69,643.7
Weighted average number of shares used in computing basic earnings per share (A)	**2,399,296,653**	2,403,319,673
Add: Dilution effect of employee stock options (B)	**65,420**	203,455
Weighted average number of shares used in computing diluted earnings per share (A+B)	**2,399,362,073**	**2,403,523,128**
Nominal value per share (in ₹)	**1**	1
Basic earnings per share (in ₹)	**9.0**	29.0
Diluted earnings per share (in ₹)	**9.0**	29.0

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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 of America
3. Emerging Markets
4. Rest of 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.

Revenue by Geography

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
India	**84,102.0**	80,610.1
United States of America	**88,635.4**	138,823.6
Emerging markets	**52,221.6**	49,074.2
Rest of world	**35,700.4**	34,134.4
	260,659.4	**302,642.3**

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 38.4% and 35.7% of total revenue for the year ended March 31, 2018 and March 31, 2017 respectively.

54 Other intangible assets consisting of trademarks, designs, technical know-how, 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.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(d) Operating lease

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
(i) Group as lessee		
The future minimum lease payments under non-cancellable operating lease		
not later than one year	**317.4**	386.2
later than one year and not later than five years	**725.5**	648.1
later than five years	**80.7**	203.3
(ii) Group as lessor		
The future minimum lease payments under non-cancellable operating lease		
not later than one year	**143.0**	133.5
later than one year and not later than five years	**401.1**	532.9
later than five years	**58.4**	58.3

(e) Finance lease

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
(i) Group as lessee		
The future minimum lease payments under non-cancellable finance lease		
not later than one year	**317.1**	134.5
later than one year and not later than five years	**1,003.7**	433.2
later than five years	**341.6**	494.6
Less: Unearned finance charges	**400.6**	360.3
Present value of minimum lease payments payable		
not later than one year	**228.5**	39.5
later than one year and not later than five years	**740.3**	265.4
later than five years	**293.1**	397.1

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 the 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 ₹ 886.6 Million (March 31, 2017: ₹ 778.8 Million).

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to Provident Fund and Family Pension Fund	**764.5**	673.2
Contribution to Superannuation Fund	**72.7**	74.9
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	**48.7**	30.5
Contribution to Labour Welfare Fund	**0.7**	0.2

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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 Gratuitiy 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 employement. 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.

Risks

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.

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 (gain) / charge to the consolidated statement of profit and loss amounting to gain of ₹ 51.4 Million (March 31, 2017 loss of ₹ 499.6 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

₹ in Million

	Year ended March 31, 2018		Year ended March 31, 2017		
	Pension Fund (Unfunded)	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	-	360.6	-	-	244.1
Interest cost	66.0	251.0	70.2	592.6	212.5
Expected return on plan assets	-	(161.2)	-	(598.5)	(177.6)
Recognition of unrecognised liabilities of earlier years	-	-	-	-	-
Excess of planned assets over commitments not recognised in financial statements	-	-	-	5.9	-
Expense charged to the consolidated statement of profit and loss	66.0	450.4	70.2	-	279.0
Remeasurement of defined benefit obligation recognised in other comprehensive income					
Actuarial loss / (gain) on defined benefit obligation	(44.4)	(695.7)	56.2	-	728.7
Actuarial gain on plan assets	-	(42.6)	-	-	(18.0)
Expense/(income) charged to other comprehensive income	(44.4)	(738.3)	56.2	-	710.7
Reconciliation of defined benefit obligations					
Obligations as at the beginning of the year	969.5	3,682.3	930.7	4,598.6	2,708.4
Current service cost	-	360.6	-	-	244.1
Interest cost	66.0	251.0	70.2	592.6	212.5
Liability transferred in/ acquisitions (Refer note 76)	-	1.6	-	-	17.4
Obligations transferred	-	-	-	1.8	-
Benefits paid	(87.4)	(173.6)	(87.6)	(507.6)	(228.8)
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	-	(160.9)	-	-	16.3
due to change in financial assumptions	(50.0)	(575.4)	54.5	-	624.3
due to experience	5.6	40.6	1.7	-	88.1
Obligation as at the year end	903.7	3,426.2	969.5	-	3,682.3

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

₹ in Million

	As at March 31, 2018	As at March 31, 2017	
	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)	**3,426.2**	-	3,682.3
Fair value of plan assets	**(3,068.8)**	-	(2,365.4)
Excess of planned assets over commitments not recognised	**-**	-	-
Net liability recognised in the consolidated balance sheet	**357.4**	**-**	**1,316.9**

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017	
	Gratuity (Funded)	Provident Fund (Funded)	Gratuity (Funded)
Reconciliation of plan assets			
Plan assets as at the beginning of the year	**2,365.4**	4,632.8	2,131.2
Expected return	**161.2**	598.5	177.6
Assets transferred in/ acquisitions	**-**	-	17.4
Plan assets transferred	**-**	1.8	-
Actuarial gain	**42.6**	-	18.0
Employer's contribution during the year	**673.2**	-	250.0
Employees' contributions during the year	**-**	-	-
Benefits paid	**(173.6)**	(507.6)	(228.8)
Funds transferred to regional provident fund	**-**	(4,725.5)	-
Plan assets as at the year end	**3,068.8**	**-**	**2,365.4**

	As at March 31, 2018		As at March 31, 2017	
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Discount rate	**7.50%**	**In range of 7.50% to 7.70%**	6.81%	In range of 6.81% to 7.74%
Expected return on plan assets	**N.A.**	**7.50%**	N.A.	In range of 6.81% to 7.74%
Expected rate of salary increase	**N.A.**	**In range of 7.00% to 11.65%**	N.A.	In range of 7.00% to 14.50%
Interest rate guarantee	**N.A.**	**N.A.**	N.A.	N.A.
Mortality	**Indian Assured Lives Mortality (2006-08)**	**Indian Assured Lives Morality (2006-08)**	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal	**N.A.**	**15.00%**	N.A.	In range of 1.00% to 13.50%
Retirement age (years)	**N.A.**	**58 to 60**	N.A.	58 to 60

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

₹ in Million

	As at March 31, 2018		As at March 31, 2017	
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Sensitivity analysis:				
Impact on defined benefit obligation				
Delta effect of +1% change in discount rate	**(68.2)**	**(155.8)**	(73.2)	(226.5)
Delta effect of -1% change in discount rate	**80.2**	**173.1**	86.0	257.8
Delta effect of +1% change in salary escalation rate	**-**	**164.9**	-	237.5
Delta effect of -1% change in salary escalation rate	**-**	**(151.5)**	-	(214.1)
Delta effect of +1% change in rate of employee turnover	**-**	**(40.5)**	-	(98.2)
Delta effect of -1% change in rate of employee turnover	**-**	**44.6**	-	110.7
Maturity analysis of projected benefit obligation				
31-Mar-19	**87.4**	**560.3**	87.4	466.6
31-Mar-20	**100.3**	**390.2**	100.4	320.2
31-Mar-21	**115.2**	**397.7**	115.3	353.9
31-Mar-22	**132.3**	**389.4**	132.5	352.3
31-Mar-23	**151.9**	**355.1**	152.1	353.2
Thereafter	**174.4**	**1,496.9**	174.8	1,601.0
The major categories of plan assets are as under:				
Central government securities	**-**	**9.9**	-	20.9
Bonds and securities of public sector / financial institutions	**-**	**67.3**	-	69.3
Insurer managed funds (Funded with LIC, break-up not available)	**-**	**2,977.6**	-	2,253.0
Surplus fund lying uninvested	**-**	**14.0**	-	22.2

The contribution expected to be made by the Parent and Indian subsidiaries for gratuity, during financial year ending March 31, 2019 is ₹ 384.8 Million (March 31, 2018: ₹ 486.3 Million).

In the United States, the Company sponsors a defined contribution 401(k) retirement savings plan for all eligible employees who meet minimum age and service requirements. The Company has no further obligations under the plan beyond its annual matching contributions.

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.

58 EMPLOYEE SHARE-BASED PAYMENT PLANS

Erstwhile Ranbaxy Laboratories Limited (RLL) had Employee Stock Option Schemes ("ESOS's") 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 ESOS's are 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 was highest trading volume on the said date were 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, 2018

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 09, 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 ESOS's 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, 2018			
	Stock options (numbers)	Range of exercise prices (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year	**401,678**	**270.0-562.5**	**462.9**	**1.9**
Exercised during the year $	**(18,893)**	**270.0-562.5**	**480.5**	**-**
Lapsed during the year	**(119,105)**	**270.0-562.5**	**488.1**	**-**
Outstanding at the end of the year *	**263,680**	**270.0-562.5**	**450.3**	**1.5**
Exercisable at the end of the year *	**263,680**	**270.0-562.5**	**450.3**	**1.5**

* Includes options exercised, pending allotment
$ Weighted average share price on the date of exercise ₹ 565.14

	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, 2018

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

	March 31, 2018			
	Stock options (numbers)	Exercise price (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding at the commencement of the year	**52,284**	**6.3**	**6.3**	**0.4**
Forfeited during the year	**(168)**	**6.3**	**6.3**	**-**
Exercised during the year #	**(43,472)**	**6.3**	**6.3**	**-**
Lapsed during the year	**(8,644)**	**6.3**	**6.3**	**-**
Outstanding at the end of the year	**-**	**6.3**	**6.3**	**-**

Weighted average share price on the date of exercise ₹ 562.58

	March 31, 2017			
	Stock options (numbers)	Exercise price (₹)	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 at the 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

During the current year, the Parent Company has recorded a Stock-based employee compensation expense / (gain) of ₹ (1.0) Million (March 31, 2017: ₹ 32.3 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 summarises 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 materially affect fair value of the options. The options pricing models do not necessary provide a reliable measure 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

59 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 209.6 Million (March 31, 2017: ₹ 96.1 Million).

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, 2017: ₹ Nil) in respect of such associates and joint ventures. The unrecognised share of loss of ₹ Nil (March 31, 2017: ₹ Nil) in respect of such associates and joint ventures.

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

	Year ended March 31, 2018	Year ended March 31, 2017
	Product and Sales related *	Product and Sales related *
Opening balance	**46,903.6**	44,707.6
Add: Provision for the year	**20,577.9**	18,905.5
Add: Unwinding of discounts on provisions	**265.8**	437.8
Less: Utilisation/settlement/reversal	**(18,597.2)**	(15,852.3)
Add/(less): Foreign currency translation difference	**1,015.3**	(1,295.0)
Closing balance	**50,165.4**	**46,903.6**

* Includes provision for trade commitments, discounts, rebates, price reductions, product returns, chargeback, medicaids and contingency provision.

62 The Company is a defendant in respect of a civil antitrust litigation relating to a product Modafinil, in which the plaintiff's have alleged that the Company excluded its generic version of Modafinil from the US market and hence have claimed damages under the Sherman Act of US. This case is pending in the United States District Court for the Eastern District of Pennsylvania. The Company and one of its wholly owned subsidiaries entered into settlements with certain plaintiffs (Apotex Corporation and Retailer Purchasers) in the month of July 2017 and September 2017 whereby the Company agreed to pay an aggregate amount of USD 147 Million (₹ 9,505.0 Million). This amount has been provided for in the consolidated financial statements and disclosed as an exceptional item. The Company continues to litigate the case against the other plaintiff's (other than those settled).

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 all 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 co-operate and provide requisite information to the US DOJ.

c) In December 2015, the USFDA issued a warning letter to the manufacturing facility at Halol. Post the November 2016 inspection, the USFDA re-inspected Halol facility in February 2018. At the conclusion of the inspection, USFDA issued a Form-483 with three observations. The Company has submitted its response documenting the corrective measures to resolve the Form-483 observations. The Company continues to manufacture and distribute products to the U.S from Halol facility and at the same time is working closely and co-operatively with the USFDA to resolve the matter.

d) In September 2013, the USFDA 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Ranbaxy Laboratories Ltd (which was merged with Sun Pharmaceutical Industries Ltd in March 2015). In March 2017, the USFDA lifted the import alert and indicated that the facility was in compliance with the requirements of cGMP provisions mentioned in the consent decree. The facility will continue to demonstrate sustainable cGMP compliance for a fixed period of time as required by the consent decree. The Company has started manufacturing and distributing products to the U.S from Mohali facility.

64 Pursuant to the declaration executed by the Sun Pharma Laboratories Limited (SPLL) ('Donor') in favour of an entity controlled by Trumpcard Advisors and Finvest LLP (Associate of the SPLL), namely Vintage Power Generation LLP ('Donee') on March 31, 2017, the power undertaking of the Donor located at Kukshi, Madhya Pradesh has been gifted to the Donee. 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 said power undertaking stand transferred to and vested in the Donee as a going concern without consideration. Accordingly, the value of power undertaking gifted to the Donee has been added to the cost of investment of the SPLL in the said Associate.

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 buyback of equity shares was approved by the Board of Directors of the Parent Company at its meeting held on June 23, 2016.

66 Property, plant and equipment consisting of land, building, plant and equipments, furniture and fixtures amounting to ₹ Nil (March 31, 2017: ₹ 65.9 Million) in respect of the manufacturing facility in Ireland are held for sale.

67 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 other parties:

Secured term loan from department of biotechnology of ₹ 108.2 Million (March 31, 2017: ₹ 108.2 Million) has been secured by hypothecation of all assets of the Parent Company. The loan is repayable in 10 equal half yearly installments commencing from December 14, 2019, last installment is due on June 14, 2024.

B Lease obligations of ₹ 1,261.9 Million (March 31, 2017: ₹ 702.0 Million) [included in non-current borrowing March 31, 2018: ₹ 1,033.4 Million (March 31, 2017: ₹ 662.5 Million) and March 31, 2018: ₹ 228.5 Million (March 31, 2017: ₹ 39.5 Million) in current maturities of long term finance lease obligations] repayable by FY 2019-2025 is secured against assets taken on finance lease.

C Term loan from banks:

Secured

(i) Loan of USD 16.7 Million equivalent to ₹ 1,086.5 Million (March 31, 2017: USD 17.5 Million equivalent ₹ 1,134.2 Million [Included in non-current borrowing March 31, 2018: ₹ 1,035.3 Million (March 31, 2017: ₹ 1,085.2 Million) and March 31, 2018: ₹ 51.2 Million (March 31, 2017: ₹ 49.0 Million) in current maturities of long-term debt], which is repayable in varying amounts by June 2033. The loan is collateralised by substantially all the assets of Pharmalucence Inc. The effective interest rate was 3.05% at March 31, 2018.

Unsecured

(i) Unsecured External Commercial Borrowings (ECBs) has 5 loans aggregating of USD 256 Million (March 31, 2017: USD 256 Million) equivalent to ₹ 16,622.1 Million (March 31, 2017: ₹ 16,602.9 Million). For the ECB loans outstanding as at March 31, 2018, the terms of repayment for borrowings are as follows:

a) USD Nil (March 31, 2017: USD 10 Million) equivalent to ₹ Nil (March 31, 2017: ₹ 648.6 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. Last installment of USD 10 Million has been repaid during the year ended March 31, 2018. First and second installment of USD 10 Million each has been repaid in previous years.

b) USD 50 Million (March 31, 2017 : USD 50 Million) equivalent to ₹ 3,246.5 Million (March 31, 2017 : ₹ 3,242.7 Million). The loan was taken on September 20, 2012 and is repayable in 2 equal installments of USD 25 Million each. The first installment of USD 25 Million is due on September 20, 2019 and last installment of USD 25 Million is due on September 18, 2020.

c) USD 100 Million (March 31, 2017: USD 100 Million) equivalent to ₹ 6,493.0 Million (March 31, 2017: ₹ 6,485.5 Million). The loan was taken on June 04, 2013 and is repayable in 3 installments

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

viz., the first installment of USD 30 Million is due on May 31, 2020, second installment of USD 30 Million is due on November 30, 2020 and last installment of USD 40 Million is due on November 30, 2021.

d) USD 50 Million (March 31, 2017: USD 50 Million) equivalent to ₹ 3,246.5 Million (March 31, 2017: ₹ 3,242.7 Million). The loan was taken on August 11, 2015 and is repayable on August 08, 2019.

e) USD Nil (March 31, 2017: USD 30 Million) equivalent to ₹ Nil. (March 31, 2017: ₹ 1,945.7 Million). The loan was taken on September 09, 2015 and has been repaid during the year ended March 31, 2018.

f) USD 26 Million (March 31, 2017 : USD 16 Million) equivalent to ₹ 1,688.2 Million (March 31, 2017 : ₹ 1,037.7 Million). The loan was taken in tranches of USD 16 Million on March 24, 2017 and USD 10 Million on June 30, 2017. The loan is repayable in 2 installments viz., the first installment of USD 16 Million is due on March 22, 2019 and last installment of USD 10 Million is due on June 28, 2019.

g) USD 30 Million (March 31, 2017 : USD Nil) equivalent to ₹ 1,947.9 Million (March 31, 2017: ₹ Nil). The loan was taken on September 08, 2017 and is repayable on September 07, 2020.

(ii) Unsecured loan under Foreign Currency Non-Resident (FCNR B) Scheme of USD Nil (March 31, 2017: USD 50 Million) equivalent to ₹ Nil (March 31, 2017: ₹ 3,242.8 Million). The loan was taken on August 19, 2015 and has been repaid during the year ended March 31, 2018.

The aforementioned unsecured ECB loans are availed from various banks at floating rate linked to Libor (2.26% as at March 31, 2018) and secured loan from department of biotechnology have been availed at a range from 2% to 3%.

D Unsecured debentures:

₹ 10,000 Million (March 31, 2017: ₹ 10,000 Million) 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

	Face Value (₹)	Redemption Amount (₹ in Million)	Date of Redemption
Rated unsecured listed redeemable 5,000 Non-Convertible debentures Series 2 (included in current maturities of long-term debt as at March 31, 2018)	1,000,000	5,000.0	March 22, 2019
Rated unsecured listed redeemable 5,000 Non-Convertible debentures Series 1 (redeemed during the year)	1,000,000	5,000.0	December 22, 2017

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

68 DETAILS OF SECURITIES FOR CURRENT BORROWINGS ARE AS UNDER:

a) Borrowings made by overseas subsidiaries are supported by the letters of awareness issued by the Parent Company.

b) As on March 31, 2017, secured short term borrowings had first charge on a pari-passu basis, by hypothecation of inventories and receivables, both present and future. The charge has been relinquished during the year ended March 31, 2018.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

69 LOANS/ADVANCES DUE FROM AN ASSOCIATE

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Interest bearing with specified repayment schedule:		
Zenotech Laboratories Limited, India* [Refer note 39(t)]		
Considered doubtful	-	726.9
	-	**726.9**
Less: allowance for doubtful loan/interest accrued and due on loan	-	726.9
	-	-

* includes interest accrued and due on loans amounting to ₹ 214.9 Million in March 31, 2017
Loans have been granted to the above entity for the purpose of its business.

70 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 - "Investments in Associates and 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 - "Investments in Associates and Joint Ventures", the said investment in Shimal Research Laboratories Limited has not been consolidated as an "Associate Entity".

71 Post implementation of Goods and Service Tax ("GST") with effect from July 01, 2017, sale of products is disclosed net of GST. Sale of products for the previous year included excise duty which is now subsumed in GST. Sale of products for the year ended March 31, 2018 includes excise duty for the period ended June 30, 2017. Accordingly, sale of products for the year ended March 31, 2018 are not comparable with year ended March 31, 2017.

72 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, 2018	As at March 31, 2017
Taro Pharmaceutical Industries Ltd. and its subsidiaries (TARO Group)	United States of America	Israel	Beneficial ownership	**25.18%**	27.19%
			Voting power	**16.79%**	18.13%

* Held by non-controlling interest

₹ in Million

Name of Subsidiary	Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	Year ended March 31, 2018	Year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017
TARO Group	**4,284.6**	8,599.9	**36,811.1**	36,547.7
Individually immaterial subsidiaries with non-controlling interests	**183.4**	218.7	**2,030.5**	1,360.9
Total	**4,468.0**	**8,818.6**	**38,841.6**	**37,908.6**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Consolidated balance sheet of TARO Group		
Non-current assets	**43,974.4**	34,063.2
Current assets	**116,578.1**	113,879.1
Non-current liabilities	**(350.4)**	(277.6)
Current liabilities	**(14,010.4)**	(13,248.8)

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Consolidated statement of profit and loss of TARO Group		
Total income	**45,216.7**	60,748.8
Total expenses	**26,101.3**	(23,243.0)
Profit after tax	**16,551.7**	30,612.9
Total comprehensive income for the year	**18,691.8**	25,241.9

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Consolidated cash flows information of TARO Group		
Net cash generated from operating activities	**21,318.0**	29,345.5
Net cash used in investing activities	**(15,576.7)**	(7,899.4)
Net cash used in financing activities	**(6,896.6)**	(19,760.5)

There has been no dividend paid by TARO during the year ended March 31, 2018 and March 31, 2017.

73 The Board of Directors of the Company at its meeting held on May 25, 2018, approved the Scheme of Arrangement between the Company, Sun Pharma (Netherlands) B.V. and Sun Pharmaceutical Holdings USA Inc. (both being wholly owned subsidiaries of the Company) which inter-alia, envisages spin-off of the specified investment undertaking of the Company. Further, the Board of Directors of the Company at its meeting held on November 14, 2017 had approved the Scheme of Arrangement between Company and Sun Pharma Global FZE (wholly owned subsidiary of the Company) which inter-alia, envisages demerger of unbranded generic pharmaceutical undertaking of Sun Pharma Global FZE into the Company. The above schemes shall be effective post receipt of required approvals and accordingly, the consolidated financial statements do not reflect the impact, if any, on account of the schemes.

74 Tax expense (exceptional) for the year ended March 31, 2018 includes deferred tax assets of ₹ 2,585.7 Million created on difference on tax and book value on intra-group transfer of certain intangibles. Further, it also includes an impact of ₹ 5,130.2 Million on account of re-measurement of the Group's deferred tax assets as a result of the Tax Cut and Jobs Act enacted in United States of America on December 22, 2017.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

76 BUSINESS COMBINATIONS

Zenotech Laboratories Limited

With effect from July 27, 2017 Zenotech Laboratories Limited has ceased to be an associate and has become a subsidiary of Sun Pharmaceutical Industries Limited.

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 as at the date of acquisition (at fair value):

	₹ in Million
Assets	
Cash and cash equivalents	1,197.3
Trade receivables	0.1
Inventories	17.5
Other current assets	2.0
Other non-current assets	28.7
Property, plant and equipment and other intangible assets	1,689.8
Bank balances other than above	8.0
Other financial assets	1.2
Total	**2,944.6**
Liabilities	
Borrowings	512.0
Trade payables	48.3
Other current financial liabilities	297.4
Other current liabilities	184.5
Deferred tax liabilities	-
Provision	190.6
Total	**1,232.8**
Net worth	**1,711.8**
Total identifiable assets at fair value	
Non-controlling interest	726.5
Goodwill	595.4
Total purchase price	**1,580.7**
Purchase price paid	855.0
Impairment reversal	725.7

From the date of acquisition, Zenotech Laboratories Limited has contributed revenue of ₹ 60.8 Million and loss before tax of ₹ 60.9 Million to the Group. If the business combinations had taken place at the beginning of the year, revenue would have been ₹ 64.1 Million and the loss before tax would have been ₹ 68.2 Million. In compliance with the relevant provisions of Ind AS 103, the Company has reversed impairment in the books to the extent of fair value of equity shares determined on the basis of right issue price amounting to ₹ 725.7 Million.

77 On November 23, 2016, Taro announced that its Board of Directors authorised a USD 250 Million share repurchase of ordinary shares. On November 07, 2017, Taro Board extended the share repurchase program for one year. During the year ended March 31, 2018, Taro has repurchased 1,085,694 shares at an average price of USD 102.52 (March 2017 : 2,252,725 shares at an average price of USD 130.87). Through May 01, 2018, in total under the authorisation, Taro has repurchased 1,774,064 shares at an average price of USD 102.83; with USD 67.6 Million remaining.

78 In March 2018, Taro reached a settlement with the tax authority, under which Taro is obligated to pay a reduced tax assessment of USD 15.0 Million, and Taro was permitted to record the unutilised capital loss, transfer intellectual property from Taro North America to Taro Israel and Taro Canada and reorganise assets held by Taro subsidiaries without triggering an Israeli tax event (the "Settlement"). The settlement settled all tax disputes between the parties for the tax years 2010 through 2014 as well as related tax issues with respect to the tax years 2015 through 2016, which years were not subject to the disputes.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per **PAUL ALVARES**
Partner
Membership No. : 105754
Mumbai, May 25, 2018

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

DILIP S. SHANGHVI
Managing Director

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director
Mumbai, May 25, 2018

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

ANNEXURE 'A'

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

S. No.	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)	
		2017-18		2017-18		2017-18		2017-18	
		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		47.1	1,97,701.0	(22.9)	(4,945.9)	10.4	494.9	(16.9)	(4,451.0)
Subsidiaries									
Indian									
1	Green Eco Development Centre Limited	0.0	1.6	(0.0)	(0.1)	-	-	(0.0)	(0.1)
2	Sun Pharma Laboratories Limited	46.9	196,823.7	40.5	8,762.2#	1.6	78.1	33.5	8,840.3#
3	Faststone Mercantile Company Private Limited	0.0	11.5	0.0	0.4	-	-	0.0	0.4
4	Neetnav Real Estate Private Limited	0.7	2,920.9	0.0	0.6	-	-	0.0	0.6
5	Realstone Multitrade Private Limited	0.0	11.5	0.0	0.4	-	-	0.0	0.4
6	Skisen Labs Private Limited	0.0	0.0	0.0	0.0	-	-	0.0	0.0
7	Softdeal Trading Company Private Limited	0.0	11.0	0.0	0.4	-	-	0.0	0.4
8	Universal Enterprises Private Limited	0.0	5.3	0.0	0.0	-	-	0.0	0.0
9	Sun Pharmaceutical Medicare Limited	(0.0)	(83.9)	(0.3)	(61.4)	(0.2)	(11.5)	(0.3)	(72.9)
10	Zenotech Laboratories Limited	0.4	1,553.4	(0.7)	(159.0)**	0.0	0.5	(0.6)	(158.5)**
Foreign									
1	Sun Pharmaceutical (Bangladesh) Limited	0.3	1,084.7	0.9	187.8	-	-	0.7	187.8
2	Sun Farmaceutica Do Brasil Ltda.	(0.5)	(2,289.9)	(0.9)	(199.1)	-	-	(0.8)	(199.1)
3	Sun Pharma De Mexico S.A. DE C.V.	0.2	717.1	1.0	223.5	-	-	0.8	223.5
4	SPIL De Mexico S.A. DE C.V.	0.0	0.2	-	-	-	-	-	-
5	Sun Pharmaceutical Peru S.A.C.	(0.0)	(149.3)	0.0	1.8	-	-	0.0	1.8
6	OOO "Sun Pharmaceutical Industries" Limited	(0.0)	(187.8)	(0.0)	(10.0)	-	-	(0.0)	(10.0)
7	Sun Pharma De Venezuela, C.A.	(0.0)	(2.6)	(0.0)	(0.7)	-	-	(0.0)	(0.7)
8	Ranbaxy Pharmacie Generiques	(0.5)	(2,199.2)	(1.2)	(257.9)	-	-	(1.0)	(257.9)
9	Ranbaxy (Malaysia) SDN. BHD.	0.2	877.7	2.1	455.7	-	-	1.7	455.7
10	Ranbaxy Nigeria Limited	0.1	211.2	(1.6)	(343.5)	-	-	(1.3)	(343.5)
11	Sun Pharma (Netherlands) B.V (Formerly known as Ranbaxy (Netherlands) B.V.)	12.6	52,694.6	(5.0)	(1,077.4)#	3.0	143.1	(3.5)	(934.3)#
12	Alkaloida Chemical Company Zrt.	5.8	24,387.2	(0.8)	(163.4)	-	-	(0.6)	(163.4)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

ANNEXURE 'A'

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

S. No.	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)	
		2017-18		2017-18		2017-18		2017-18	
		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
13	Sun Pharmaceuticals UK Limited	0.0	0.0	0.4	95.2	-	-	0.4	95.2
14	Sun Pharmaceutical Industries (Australia) Pty Limited	0.4	1,512.7	(5.6)	(1,220.1)	-	-	(4.6)	(1,220.1)
15	Aditya Acquisition Company Ltd.	0.0	12.0	0.0	5.6	-	-	0.0	5.6
16	Sun Pharmaceutical Industries (Europe) B.V.	(0.0)	(66.0)	0.3	62.0	-	-	0.2	62.0
17	Sun Pharmaceuticals Italia S.R.L.	0.0	46.1	(0.0)	(0.9)	-	-	(0.0)	(0.9)
18	Sun Pharmaceuticals Germany GmbH	(0.0)	(207.2)	0.1	15.0	-	-	0.1	15.0
19	Sun Pharmaceuticals France	(0.0)	(24.7)	(0.0)	(4.5)	-	-	(0.0)	(4.5)
20	Sun Pharma Global FZE (Consolidated with a Joint venture)	30.3	127,032.1	10.6	2,295.7*	22.6	1,073.1	12.8	3,368.8*
21	Sun Pharmaceuticals (SA) (Pty) Ltd.	(0.0)	(0.0)	0.0	0.1	-	-	0.0	0.1
22	Sun Global Canada Pty. Ltd.	(0.0)	(1.4)	(0.0)	(0.2)	-	-	(0.0)	(0.2)
23	Sun Pharma Philippines, Inc.	(0.1)	(441.5)	(0.2)	(38.4)	-	-	(0.1)	(38.4)
24	Sun Pharmaceuticals Korea Ltd.	0.0	4.4	0.0	0.0	-	-	0.0	0.0
25	Sun Global Development FZE	0.0	180.9	(0.0)	(0.7)	-	-	(0.0)	(0.7)
26	Sun Pharma Japan Ltd.	(0.4)	(1,480.3)	(4.4)	(950.6)	-	-	(3.6)	(950.6)
27	Sun Pharma HealthCare FZE	0.0	183.4	0.0	2.2	-	-	0.0	2.2
28	Sun Laboratories FZE	(0.1)	(265.1)	0.4	79.9	-	-	0.3	79.9
29	Taro Pharmaceutical Industries Ltd. (TARO) (Consolidated with its Subsidiaries)	34.8	146,191.6	76.6	16,551.7	45.0	2,140.0	70.9	18,691.7
30	Alkaloida Sweden AB	0.0	38.3	0.1	14.3	-	-	0.1	14.3
31	Sun Pharma Switzerland Ltd.	0.6	2,631.0	(0.0)	(4.7)	-	-	(0.0)	(4.7)
32	Sun Pharma Holdings	48.6	204,008.4	(0.1)	(29.5)	-	-	(0.1)	(29.5)
33	Sun Pharma East Africa Limited	(0.0)	(148.8)	(0.3)	(73.6)	-	-	(0.3)	(73.6)
34	Sun Pharma ANZ Pty Ltd (Formerly known as Ranbaxy Australia Pty Ltd)	(0.1)	(348.2)	0.4	80.2	-	-	0.3	80.2
35	Ranbaxy Farmaceutica Ltda.	(0.3)	(1,103.7)	(0.4)	(89.2)	-	-	(0.3)	(89.2)
36	Ranbaxy Pharmaceuticals Canada Inc.	0.1	278.2	(0.3)	(62.6)	-	-	(0.2)	(62.6)
37	Sun Pharma Egypt Limited LLC (Formerly known as Ranbaxy Egypt Ltd)	0.1	382.7	(0.1)	(22.0)	-	-	(0.1)	(22.0)
38	Rexcel Egypt LLC	(0.0)	(18.7)	(0.0)	(7.3)	-	-	(0.0)	(7.3)
39	Office Pharmaceutique Industriel Et Hospitalier	0.0	93.8	0.0	2.5	-	-	0.0	2.5

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for the year ended March 31, 2018

ANNEXURE 'A'

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S. No.	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)	
		2017-18		2017-18		2017-18		2017-18	
		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
40	Basics GmbH	0.2	1,024.6	0.3	54.1	-	-	0.2	54.1
41	Ranbaxy GmbH	0.0	2.0	-	-	-	-	-	-
42	Ranbaxy Ireland Limited	0.1	571.0	(0.1)	(14.7)	-	-	(0.1)	(14.7)
43	Ranbaxy Italia S.P.A.	0.0	0.7	(0.0)	(6.5)	-	-	(0.0)	(6.5)
44	Sun Pharmaceutical Industries S.A.C. (Formerly known as Ranbaxy - PRP (Peru) S.A.C.)	(0.0)	(125.0)	(0.1)	(29.6)	-	-	(0.1)	(29.6)
45	Ranbaxy (Poland) SP. Z O.O.	0.0	194.8	0.1	11.8	-	-	0.0	11.8
46	Terapia S.A.	3.4	14,079.7	10.1	2,174.2	-	-	8.2	2,174.2
47	AO Ranbaxy (Formerly Known ZAO Ranbaxy)	0.2	1,027.0	0.3	57.8	-	-	0.2	57.8
48	JSC Biosintez	0.2	994.4	(2.4)	(511.8)	-	-	(1.9)	(511.8)
49	Ranbaxy South Africa (Pty) Limited (Consolidated with its Subsidiary)	0.3	1,225.3	1.4	307.9	-	-	1.2	307.9
50	Ranbaxy Pharmaceuticals (Pty) Limited	(0.2)	(979.5)	0.8	183.1	-	-	0.7	183.1
51	Be- Tabs Investments (Pty) Limited	0.0	19.8	-	-	-	-	-	-
52	Laboratorios Ranbaxy, S.L.U.	0.1	355.3	0.3	62.9	-	-	0.2	62.9
53	Ranbaxy (U.K.) Limited	0.3	1,383.9	0.3	55.7	-	-	0.2	55.7
54	Ranbaxy Holdings (U.K.) Limited	0.7	2,832.7	-	-	-	-	-	-
55	Ranbaxy Europe Limited	0.0	0.0	(0.0)	(0.1)	-	-	(0.0)	(0.1)
56	Sun Pharma Holding USA Inc (Consolidated with its Subsidiaries, its associates and a Joint venture)	11.8	49,434.6	(25.3)	(5,466.9)#	-	-	(20.7)	(5,466.9)#
57	Ranbaxy (Thailand) Co., Ltd.	0.0	208.0	0.1	30.0	-	-	0.1	30.0
58	Sun Pharmaceuticals Morocco LLC (Formerly known as Ranbaxy Morocco LLC)	(0.0)	(72.9)	(0.1)	(31.2)	-	-	(0.1)	(31.2)
59	"Ranbaxy Pharmaceuticals Ukraine" LLC	0.0	158.6	0.2	48.0	-	-	0.2	48.0
Non controlling interest in all subsidiaries		9.3	38,841.6	(20.7)	(4,468.0)	(10.0)	(477.7)	(18.8)	(4,945.7)
Intercompany Elimination and Consolidation Adjustments		(153.6)	(643,919.3)	46.2	10,044.3	27.6	1,314.3	43.0	11,358.6
Total		**100.0**	**419,847.2**	**100.0**	**21,615.5**	**100.0**	**4,754.8**	**100.0**	**26,370.3**

Includes share of profit/loss and share of TCI, from its associates and a joint venture of ₹ 262.0 Million
* Includes share of profit and share of TCI, from a joint venture of ₹ 7.6 Million
** With effect from July 27, 2017 Zenotech Laboratories Limited has ceased to be an associate and has become subsidiary of Sun Pharmaceutical Industries Limited.
Note: 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, 2018

ANNEXURE 'A'

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

S. No.	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	52.0	210,124.7	(0.3)	(228.4)	4.8	(634.5)	(1.5)	(862.9)
	Subsidiaries								
	Indian								
1	Green Eco Development Centre Limited	0.0	1.6	(0.0)	(0.5)	-	-	(0.0)	(0.5)
2	Sun Pharma Laboratories Limited	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	0.7	2,920.2	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	Universal Enterprises Private Limited	0.0	5.3	0.0	0.0	-	-	0.0	0.0
9	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)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

ANNEXURE 'A'

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

S. No.	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
12	Sun Pharma (Netherlands) B.V. (Formerly known as 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 Limited	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)
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) (Consolidated with its Subsidiaries)	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 Ltd.	(0.0)	(21.8)	(0.0)	(27.8)	-	-	(0.0)	(27.8)
34	Ocular Technologies SARL	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)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

ANNEXURE 'A'

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

S. No.	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
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	Sun Pharma Egypt Limited LLC (Formerly known as Ranbaxy Egypt Ltd)	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	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 Pharmaceuticals (Pty) Limited	(0.3)	(1,035.4)	0.3	186.9	-	-	0.3	186.9
54	Be- Tabs Investments (Pty) 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) Co., Ltd.	0.0	160.8	(0.1)	(91.1)	-	-	(0.2)	(91.1)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

ANNEXURE 'A'

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

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities 2016-17 As % of consolidated net assets	₹ in Million	Share in profit or (loss) 2016-17 As % of consolidated profit or (loss)	₹ in Million	Share in other comprehensive income (OCI) 2016-17 As % of consolidated OCI	₹ in Million	Share in total comprehensive income (TCI) 2016-17 As % of consolidated TCI	₹ in Million
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)
Foreign Joint Venture (Investment as per equity method)									
1	MSD - Sun LLC (Consolidated with its subsidiary)	0.0	0.7	-	-	-	-	-	-
Intercompany Elimination and Consolidation Adjustments		(166.3)	(673,076.4)	24.8	17,348.4	65.9	(8,786.8)	15.1	8,561.6
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 joint venture of ₹ 101.8 Million.

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

Note: 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, 2018

IND AS- 24 - " RELATED PARTY DISCLOSURES"

ANNEXURE 'B'

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

a	**Key Managerial Personnel (KMP)**	
	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
b	**Non - Executive Directors**	
	S. Mohanchand Dadha	
	Hasmukh S. Shah (resigned w.e.f. November 15, 2017)	
	Keki M. Mistry	
	Ashwin S. Dani	
	Rekha Sethi	
	Vivek C. Sehgal (w.e.f. November 14, 2017)	
c	**Relatives of Key Managerial Personnel**	
	Aalok Shanghvi	
	Vidhi Shanghvi	
d	**Others (Entities in which the KMP and Relatives of KMP have control or significant influence)**	
	Makov Associates Ltd	
	Shantilal Shanghvi Foundation	
	Sun Pharma Advanced Research Company Ltd	
	Sun Petrochemicals Pvt Ltd	
	Alfa Infraprop Pvt. Ltd.	
	Sidmak Laboratories India Private Limited	
	Ramdev Chemicals Private Limited	
	Sholapur Organics Private Limited	
	United Medisales Private Limited	
	Virtous Finance Private Limited	
	Aditya Medisales Limited	
	United Medisales Private Limited	
e	**Joint Venture**	
	S & I Ophthalmic LLC	
	Artes Biotechnology GmbH	
f	**Associates**	
	Zenotech Laboratories Limited [Refer note 39 (t) and 39 (u)]	
	Daiichi Sankyo (Thailand) Ltd. [Refer note 39 (r)]	
	Medinstill LLC	
	scPharmaceuticals Inc.	
	Trumpcard Advisors and Finvest LLP	
	Generic Solar Power LLP	
	Vintage Power Generation LLP	
g	**Unconsolidated subsidiary**	
	Foundation for Disease Elimination and Control of India	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

IND AS- 24 - " RELATED PARTY DISCLOSURES"

ANNEXURE 'B'

Details of related party transaction:

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of goods	**308.3**	**28.2**
Associates	-	12.9
Others	**308.3**	15.3
Purchase of property, plant and equipment and other intangible assets	**650.2**	**885.4**
Others	**650.2**	885.4
Sale of goods	**79,876.2**	**103.4**
Associates	-	38.8
Others	**79,876.2**	64.6
Sale of property, plant and equipment and other intangible assets	**0.5**	**-**
Others	**0.5**	-
Receiving of service	**1,209.4**	**1,296.6**
Others	**1,005.6**	1,296.6
Joint venture	**40.9**	-
Associate	**162.9**	-
Reimbursement of expenses paid	**68.4**	**17.7**
Associates	**5.7**	2.8
Key managerial personnel ₹ Nil (March 31, 2017 : ₹ 45,815)	-	0.0
Others	**62.2**	14.9
Unconsolidated subsidiary	**0.5**	-
Rendering of service	**178.3**	**147.8**
Joint venture	**0.1**	11.6
Others	**178.2**	136.2
Reimbursement of expenses received	**326.4**	**290.1**
Others	**326.1**	289.8
Unconsolidated subsidiary	**0.3**	0.3
Loans / deposit given	**6,300.0**	**-**
Others	**6,300.0**	-
Loans received back	**9,912.4**	**-**
Others	**9,912.4**	-
Purchase of Investment in associates and joint venture and unconsolidated subsidiary	**324.7**	**1,856.1**
Associates	**324.7**	1,856.0
Unconsolidated subsidiary	-	0.1
Interest income	**1,058.7**	**70.4**
Associates	**19.1**	70.4
Others	**1,039.6**	-
Lease rental and hire charges	**51.0**	**51.1**
Others	**51.0**	51.1
Receipt on account of assets given under finance lease	-	**46.8**
Others	-	46.8
Rent expense	**6.8**	**-**
Others	**6.8**	-
Provision for doubtful loans and interest accrued and due on loans	-	**63.4**
Associates	-	63.4
Advance received back	**2.5**	**-**
Unconsolidated subsidiary	**2.5**	-
Advance given	**2.5**	**-**
Unconsolidated subsidiary	**2.5**	-
Remuneration / compensation	**237.7**	**294.9**
Key managerial personnel *	**217.6**	281.6
Relatives of Key managerial personnel	**20.1**	13.3
Donation	**62.8**	**52.1**
Unconsolidated subsidiary	**42.8**	-
Others	**20.0**	52.1

(*) Remuneration to key managerial personnel includes the refund received from key managerial personnel in respect of excess remuneration paid for financial year 2014-15, 2015-16 and 2016-17.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

IND AS- 24 - " RELATED PARTY DISCLOSURES" ANNEXURE 'B'

Balance outstanding as at the end of the year

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Receivables	12,287.2	1,130.4
Others	12,287.2	1,129.6
Unconsolidated subsidiary	-	0.8
Payables	917.6	833.8
Associates	-	137.7
Key managerial personnel	169.5	153.7
Relatives of key managerial personnel	0.8	0.6
Others	747.3	541.8
Capital advance	212.9	212.9
Associates	212.9	212.9
Deposit given	658.6	-
Others	0.5	-
Associates	658.1	-
Loan given	-	454.0
Associates *	-	454.0
Advance from customer	3.4	-
Others	3.4	-
Advance for supply of goods/services	0.1	-
Others	0.1	-

* Net of Provision for doubtful loans and interest accrued and due on loans thereof ₹ Nil [March 31, 2017 : ₹ 726.9 Million]

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 the Company.

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)	1.6	0.0	-	-	(0.1)	-	(0.1)	-	100.00%
2	Sun Pharmaceutical (Bangladesh) Limited	29.03.2001	BDT	0.77	46.3	1,038.5	1,506.0	421.2	-	1,308.7	306.0	118.8	187.2	-	72.50%
3	Sun Pharmaceutical Industries, Inc.	14.06.2011	USD	64.93	13,872.9	2,382.6	81,682.8	65,427.3	7,297.4	35,759.0	(14,988.5)	(41.7)	(14,946.8)	-	100.00%
4	Sun Farmaceutica do Brasil Ltda.	22.05.2009	BRL	19.52	108.8	(2,397.6)	576.8	2,865.6	-	1,076.4	(168.5)	28.0	(196.5)	-	100.00%
5	Sun Pharma De Mexico S.A. DE C.V.	03.12.2002	MXN	3.52	3.6	669.8	988.9	315.5	-	1,267.0	263.0	88.3	174.7	-	75.00%
6	SPIL De Mexico S.A. DE C.V.	13.02.2002	MXN	3.52	0.2	-	0.2	-	-	-	-	-	-	-	100.00%
7	Sun Pharmaceutical Peru S.A.C.	27.06.2006	PEN	20.11	0.0	(157.1)	0.2	157.3	-	-	(1.0)	-	(1.0)	-	99.33%
8	OOO "Sun Pharmaceutical Industries" Limited	12.11.2007	RUB	1.13	0.1	(169.1)	32.9	201.9	-	-	(1.3)	1.2	(2.5)	-	100.00%
9	Sun Pharma De Venezuela, C.A.	06.11.2011	VEF	0.01	0.1	(2.6)	0.8	3.3	-	-	3.6	-	3.6	-	100.00%
10	Chattem Chemicals Inc.	24.11.2008	USD	64.93	2,235.8	1,023.4	3,426.4	167.2	-	1,436.5	(464.3)	(49.9)	(414.4)	-	100.00%
11	The Taro Development Corporation	20.09.2010	USD	64.93	0.0	(0.4)	1,289.2	1,289.6	-	-	-	-	-	-	100.00%
12	Alkaloida Chemical Company Zrt.	05.08.2005	USD	64.93	5,795.7	18,655.2	37,265.1	12,814.2	-	1,395.2	(99.5)	2.0	(101.5)	-	99.99%
13	Sun Pharmaceuticals UK Limited	20.06.2005	GBP	91.88	0.1	(0.1)	-	-	-	-	104.0	-	104.0	-	100.00%
14	Sun Pharmaceutical Industries (Australia) Pty Ltd	11.03.2008	AUD	49.78	3,467.0	(1,954.2)	8,532.6	7,019.8	-	3,501.1	(1,216.6)	-	(1,216.6)	-	100.00%
15	Aditya Acquisition Company Ltd.	22.04.2007	ILS	18.55	0.0	12.0	30.0	18.0	-	145.3	7.4	1.7	5.7	-	100.00%
16	Sun Pharmaceutical Industries (Europe) B.V.	29.06.2007	EURO	80.47	1.4	(67.5)	1,557.7	1,623.8	-	1,386.6	62.2	-	62.2	-	100.00%
17	Sun Pharmaceuticals Italia S.R.L.	14.04.2008	EURO	80.47	0.8	45.2	46.3	0.3	-	-	(0.9)	-	(0.9)	-	100.00%
18	Sun Pharmaceuticals Germany GmbH	11.08.2008	EURO	80.47	2.0	(209.2)	1,356.3	1,563.5	-	745.9	13.9	5.1	8.8	-	100.00%
19	Sun Pharmaceuticals France	10.02.2009	EURO	80.47	3.0	(27.7)	337.7	362.4	-	158.5	(4.8)	-	(4.8)	-	100.00%
20	Sun Pharma Global FZE	25.11.2008	USD	64.93	267.8	126,764.2	137,227.5	10,195.5	6,093.2	24,039.7	2,302.4	-	2,302.4	-	100.00%
21	Sun Pharmaceuticals (SA) (Pty) Ltd.	22.10.2008	ZAR	5.54	0.0	(0.1)	23.8	23.9	-	21.0	0.0	-	0.0	-	100.00%
22	Sun Global Canada Pty. Ltd.	23.06.2009	USD	64.93	0.1	(1.4)	-	1.3	-	-	(0.2)	-	(0.2)	-	100.00%
23	Sun Laboratories FZE	13.03.2011	USD	64.93	795.5	(1,060.6)	2,760.2	3,025.3	-	4,006.7	80.0	-	80.0	-	100.00%
24	Sun Global Development FZE	13.04.2011	USD	64.93	185.6	(4.8)	200.4	19.6	-	-	(0.7)	-	(0.7)	-	100.00%
25	Sun Pharma Japan Ltd.	01.03.2012	JPY	0.61	97.0	(1,574.8)	1,751.4	3,229.2	-	25.7	(1,008.6)	0.2	(1,008.8)	-	100.00%
26	Sun Pharma Philippines, Inc.	08.12.2011	PHP	1.24	10.7	(452.5)	232.6	674.4	-	296.8	(32.9)	27.7	(60.6)	-	100.00%
27	Sun Pharma Healthcare FZE	25.03.2012	USD	64.93	185.6	(2.2)	183.5	0.1	-	-	2.2	-	2.2	-	100.00%
28	Sun Pharmaceuticals Korea Ltd.	20.09.2011	KRW	0.06	6.1	(1.6)	6.1	1.6	-	-	0.0	-	0.0	-	100.00%
29	Caraco Pharmaceuticals Private Limited	12.01.2012	INR	1.00	0.1	(0.1)	0.0	0.0	-	-	(0.0)	-	(0.0)	-	100.00%
30	Sun Pharma Laboratories Ltd	09.03.2012	INR	1.00	0.5	196,823.2	227,734.3	30,910.6	5,714.3	51,099.1	11,582.4	2,820.2	8,762.2	4,790.0	100.00%
31	Morley & Company, Inc.	05.05.1983	USD	64.93	0.2	(0.1)	0.2	0.1	-	-	-	-	-	-	100.00%
32	Taro Pharmaceutical Industries Ltd. (TARO)	20.09.2010	USD	64.93	44.2	143,136.8	147,281.9	4,100.9	20,731.6	16,014.2	14,710.9	1,001.0	13,709.9	-	74.82%

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₹ 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
33	Taro Pharmaceuticals Inc.	20.09.2010	CAD	50.33	12,148.2	79,783.5	95,373.7	3,442.0	25,308.2	17,627.8	6,009.7	1,182.6	4,827.1	-	74.82%
34	Taro Pharmaceuticals U.S.A., Inc.	20.09.2010	USD	64.93	9.4	(1,730.1)	31,562.4	33,283.1	-	34,905.9	662.8	2,889.6	(2,226.8)	-	74.82%
35	Taro Pharmaceuticals North America, Inc.	20.09.2010	USD	64.93	0.0	32,776.4	32,776.4	-	4,310.8	-	12,035.2	-	12,035.2	-	74.82%
36	Taro Pharmaceuticals Europe B.V.	20.09.2010	EURO	80.47	1.4	2.6	44.2	40.2	-	-	40.6	-	40.6	-	74.82%
37	Taro Pharmaceuticals Ireland Ltd	20.09.2010	EURO	80.47	40.3	(40.3)	-	-	-	-	(304.0)	-	(304.0)	-	74.82%
38	Taro International Ltd.	20.09.2010	USD	64.93	0.0	578.5	1,094.1	515.6	-	1,698.4	203.7	49.1	154.6	-	74.82%
39	Taro Pharmaceuticals (UK) Ltd.	20.09.2010	GBP	91.88	0.0	(0.0)	-	-	-	-	842.3	-	842.3	-	74.82%
40	Taro Pharmaceuticals Canada, Ltd.	20.09.2010	CAD	50.33	0.0	0.1	0.1	-	-	-	0.1	-	0.1	-	74.82%
41	Alkaloida Sweden AB	22.11.2012	SEK	7.83	55.8	(17.3)	143.0	104.5	-	696.0	17.0	-	17.0	-	100.00%
42	Dusa Pharmaceuticals, Inc.	19.12.2012	USD	64.93	0.6	8,105.4	10,527.3	2,421.3	-	6,090.7	1,674.8	(1,360.9)	3,035.7	-	100.00%
43	Mutual Pharmaceutical Company Inc.	05.02.2013	USD	64.93	0.0	9,127.2	9,211.3	84.1	-	4,380.5	1,611.0	1,676.4	(65.4)	-	100.00%
44	Faststone Mercantile Company Private Limited	01.04.2012	INR	1.00	0.1	11.4	11.5	0.0	-	-	0.5	0.1	0.4	-	100.00%
45	Neetnav Real Estate Private Limited	01.04.2012	INR	1.00	0.1	2,920.8	3,077.3	156.4	-	1.3	0.8	0.2	0.6	-	100.00%
46	Realstone Multitrade Private Limited	01.04.2012	INR	1.00	0.1	11.4	11.6	0.1	-	-	0.5	0.1	0.4	-	100.00%
47	Skisen Labs Private Limited	01.04.2012	INR	1.00	163.6	(163.6)	0.1	0.1	0.0	(0.0)	(0.0)	-	(0.0)	-	100.00%
48	Softdeal Trading Company Private Limited	01.04.2012	INR	1.00	0.1	10.9	11.0	0.0	-	-	0.5	0.1	0.4	-	100.00%
49	Universal Enterprises Private Limited	31.08.2012	INR	1.00	4.5	0.8	5.3	0.0	-	-	(0.0)	-	(0.0)	-	100.00%
50	Sun Pharma Switzerland Ltd.	10.06.2013	CHF	68.26	6.8	(5.4)	14.0	12.6	-	-	(2.1)	-	(2.1)	-	100.00%
51	Sun Pharma Holdings	06.08.2015	USD	64.93	222,115.3	(18,087.6)	204,784.9	757.2	-	-	(29.7)	-	(29.7)	-	100.00%
52	Pharmalucence, Inc.	15.07.2014	USD	64.93	0.0	5,469.1	7,217.9	1,748.8	-	2,423.7	353.9	(69.7)	423.6	-	100.00%
53	PI Real Estate Ventures LLC	15.07.2014	USD	64.93	584.5	321.9	1,993.0	1,086.6	-	214.3	135.1	28.4	106.7	-	100.00%
54	Sun Pharma East Africa Limited	13.06.2014	KES	0.64	0.1	(105.6)	358.6	464.1	-	363.3	(75.8)	(22.4)	(53.4)	-	100.00%
55	Basics GmbH	24.03.2015	EURO	80.47	392.3	372.6	5,320.2	4,555.3	-	3,164.3	89.5	35.3	54.2	-	100.00%
56	Ranbaxy GmbH	24.03.2015	EURO	80.47	2.0	-	5.2	3.2	-	65.2	-	-	-	-	100.00%
57	"Ranbaxy Pharmaceuticals Ukraine" LLC	24.03.2015	UAH	2.45	98.0	37.7	208.4	72.7	-	731.9	38.0	6.8	31.2	-	100.00%
58	Sun Pharmaceuticals Morocco LLC (Formerly known as Ranbaxy Morocco LLC)	24.03.2015	MAD	7.09	86.8	(159.5)	1,236.2	1,308.9	-	1,224.6	48.0	53.8	(5.8)	-	100.00%
59	Sun Pharmaceutical Industries S.A.C. (Formerly known as Ranbaxy - PRP (Peru) S.A.C.)	24.03.2015	PEN	20.11	87.3	(211.8)	229.7	354.2	-	301.3	(29.8)	-	(29.8)	-	100.00%
60	Ranbaxy Holdings (U.K.) Limited	24.03.2015	GBP	91.88	2,807.4	140.7	2,948.9	0.8	-	-	167.3	-	167.3	-	100.00%
61	Ranbaxy Pharmacie Generiques	24.03.2015	EURO	80.47	2,007.6	(4,206.7)	986.5	3,185.6	-	1,501.9	(273.6)	-	(273.6)	-	100.00%

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₹ 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
62	Office Pharmaceutique Industriel Et Hospitalier	24.03.2015	EURO	80.47	107.0	(13.2)	297.3	203.5	-	278.7	2.5	-	2.5	-	100.00%
63	Ranbaxy Italia S.P.A.	24.03.2015	EURO	80.47	4.0	0.1	2,222.8	2,218.7	-	1,734.7	(20.3)	1.6	(21.9)	-	100.00%
64	Ranbaxy Pharmaceuticals (Pty) Limited	24.03.2015	ZAR	5.54	1,108.4	(2,136.5)	6,406.5	7,434.6	-	6,836.0	195.2	-	195.2	-	100.00%
65	Sonke Pharmaceuticals Proprietary Limited	24.03.2015	ZAR	5.54	11.1	597.7	3,008.5	2,399.7	-	6,408.8	507.2	146.3	360.9	-	70.00%
66	Ranbaxy South Africa (Pty) Limited	24.03.2015	ZAR	5.54	97.0	688.0	2,544.6	1,759.6	-	1,617.1	1.9	(9.6)	11.5	-	100.00%
67	Sun Pharma Egypt Limited LLC (Formerly known as Ranbaxy Egypt Ltd)	24.03.2015	EGP	3.67	483.2	(96.0)	563.7	176.5	-	360.4	(14.1)	4.6	(18.7)	-	100.00%
68	Rexcel Egypt Company LLC	24.03.2015	EGP	3.67	0.9	(19.6)	5.6	24.3	-	(2.6)	(7.4)	-	(7.4)	-	100.00%
69	Ranbaxy (U.K.) Limited	24.03.2015	GBP	91.88	1,998.3	(614.5)	2,605.7	1,221.9	-	1,898.9	76.9	17.1	59.8	-	100.00%
70	Ranbaxy (Poland) SP. Z O.O.	24.03.2015	PLN	19.11	82.0	112.8	244.9	50.1	-	552.9	17.4	4.8	12.6	-	100.00%
71	Ranbaxy Nigeria Limited	24.03.2015	NGN	0.21	8.2	200.4	2,123.1	1,914.5	-	1,024.0	(428.7)	5.1	(433.8)	-	85.31%
72	Ranbaxy (Thailand) Co., Ltd.	24.03.2015	THB	2.08	238.8	(30.9)	990.0	782.1	-	1,290.3	30.9	-	30.9	-	100.00%
73	Ohm Laboratories, Inc.	24.03.2015	USD	64.93	15.5	7,124.6	214,538.0	207,397.9	-	15,381.5	2,810.9	(1,253.3)	4,064.2	-	100.00%
74	Ranbaxy Laboratories, Inc.	24.03.2015	USD	64.93	-	80.8	80.8	-	-	3,587.0	(568.7)	-	(568.7)	-	100.00%
75	Ranbaxy Signature LLC	24.03.2015	USD	64.93	3.2	354.8	497.7	139.7	-	528.7	411.6	-	411.6	-	67.50%
76	Ranbaxy Pharmaceuticals, Inc.	24.03.2015	USD	64.93	0.0	4.8	4.8	-	-	4,065.3	(3,117.3)	-	(3,117.3)	-	100.00%
77	Ranbaxy Inc.	24.03.2015	USD	64.93	-	642.3	750.8	108.5	-	-	(364.8)	(148.1)	(216.7)	-	100.00%
78	Ranbaxy Ireland Limited	24.03.2015	EURO	80.47	572.2	(2.0)	572.9	2.7	-	6.1	(8.1)	7.6	(15.7)	-	100.00%
79	AO Ranbaxy (Formerly Known ZAO Ranbaxy)	24.03.2015	RUB	1.13	183.8	835.4	4,038.9	3,019.7	-	5,999.8	147.2	75.6	71.6	-	100.00%
80	Laboratorios Ranbaxy, S.L.U.	24.03.2015	EURO	80.47	80.5	281.2	1,597.2	1,235.5	-	1,695.2	75.3	8.6	66.7	-	100.00%
81	Ranbaxy (Malaysia) SDN. BHD.	24.03.2015	MYR	16.80	139.4	740.8	1,641.3	761.1	-	2,006.2	495.6	-	495.6	-	90.74%
82	Ranbaxy Farmaceutica Ltda.	24.03.2015	BRL	19.52	339.0	(1,437.9)	1,060.0	2,158.9	-	1,716.4	(25.5)	48.2	(73.7)	-	100.00%
83	Ranbaxy Europe Limited	24.03.2015	GBP	91.88	0.0	-	0.0	-	-	-	(0.0)	-	(0.0)	-	100.00%
84	Sun Pharma ANZ Pty Ltd (Formerly known as Ranbaxy Australia Pty Ltd)	24.03.2015	AUD	49.78	866.2	(1,214.8)	973.8	1,322.4	-	2,163.3	83.1	-	83.1	-	100.00%
85	Ranbaxy Pharmaceuticals Canada Inc.	24.03.2015	CAD	50.33	113.3	164.9	877.8	599.6	-	1,181.0	(66.6)	-	(66.6)	-	100.00%
86	Terapia S.A.	24.03.2015	RON	17.27	432.1	14,702.3	17,868.5	2,734.1	-	11,851.9	2,643.3	350.7	2,292.6	-	96.81%
87	Be- Tabs Investments (Pty) Limited	24.03.2015	ZAR	5.54	0.0	19.8	19.8	-	-	-	(0.0)	-	(0.0)	-	100.00%
88	Sun Pharma (Netherlands) B.V (Formerly known as Ranbaxy (Netherlands) B.V.)	24.03.2015	USD	64.93	44,039.3	8,655.3	53,355.2	660.6	923.6	0.0	(485.6)	95.5	(581.1)	-	100.00%
89	Insite Vision Incorporated	02.11.2015	USD	64.93	0.0	(349.9)	1,264.3	1,614.2	-	-	224.4	1,192.6	(968.2)	-	100.00%
90	JSC Biosintez	19.12.2016	RUB	1.13	0.3	723.1	4,700.1	3,976.7	2.3	2,906.1	80.7	72.5	8.2	-	85.10%

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₹ 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
91	Sun Pharmaceuticals Holdings USA, Inc	18.11.2016	USD	64.93	0.0	20,697.6	20,697.6	-	-	-	-	-	-	-	100.00%
92	Foundation for Disease Elimination and Control of India	21.09.2016	INR	1.00	0.1	3.9	4.8	0.8	-	42.8	5.1	-	5.1	-	100.00%
93	Zenotech Laboratories Ltd	27.07.2017	INR	1.00	610.3	(190.1)	817.4	397.2	-	111.4	(118.5)	-	(118.5)	-	57.56%
94	Sun Pharmaceutical Medicare Limited	16.01.2017	INR	1.00	2.5	(86.4)	3,077.1	3,161.0	-	1,199.2	(61.4)	-	(61.4)	-	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, 57, 79, 89 and 90 the reporting date is as of December 31, 2017 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, 2017 to March 31, 2017 and January 01, 2018 to March 31, 2018, on the basis of their management accounts for the said periods.

3 Entities at Sr. No. 93 have been incorporated / acquired during the year ended March 31, 2018.

4 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.

5 Taro Pharmaceutical India Private Limited has been liquidated on April 04, 2017.

6 With effect from December 21, 2017 S & I Ophthalmic LLC has been dissolved.

7 With effect from April 01, 2017 vide certificate dated August 09, 2017 Ocular Technologies SARL has been merged with Sun Pharma Switzerland Limited.

8 With effect from July 27, 2017 Zenotech Laboratories Limited has ceased to be an associate and has become subsidiary of Sun Pharmaceutical Industries Limited.

9 Books of accounts and other related records/documents of the overseas subsidiaries of the Zenotech Laboratories Limited were missing and due to non-availability of those records/ information, Zenotech Laboratories Limited is unable to prepare consolidated accounts.

10 With effect from August 01, 2017, Ranbaxy Pharmaceuticals, Inc. and Ranbaxy Laboratories, Inc. has been merged with Sun Pharmaceutical Industries Inc.

11 With effect from May 20, 2018 Sun Pharmaceuticals UK Limited has been dissolved.

12 Taro Pharmaceuticals Ireland Limited is under Liquidation.

13 Taro Pharmaceuticals (UK) Limited is under Liquidation.

14 Ranbaxy Europe Limited is under Liquidation.

15. 3 Skyline LLC and One Commerce drive LLC are being consolidated with Taro Pharmaceuticals U.S.A.,Inc.

16. With effect from April 25, 2017 Insite Vision Ltd. has been dissolved.

17. With effect from June 19, 2017 MSD - Sun LLC is liquidated.

18 Fraizer Healthcare VII, L.P. and Versant Venture Capital V, L.P. were treated as associates till March 31, 2017 and are now being classified and measured as investments at fair value through profit or loss.

19 The above does not include Taro Pharmaceutical Laboratories 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.

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Statement Containing Salient Features of the Financial Statement of Subsidiaries / Associate Companies/ Joint Ventures

₹ in Million

Part "B": Associate Companies and Joint Ventures

Sr. No	Name of Associates/Joint Ventures	Jointly Controlled Entity		Associates			
		Artes Biotechnology GmbH	S & I Ophthalmic LLC	sc Pharmaceuticals Inc.	Generic Solar Power LLP	Trumpcard Advisors and Finvest LLP	Medinstill LLC
1	Latest audited Balance Sheet Date	31-Dec-17	31-Dec-17	31-Dec-17	31-Mar-18	31-Mar-18	31-Mar-18
	Date of acquisition	13.02.2014	28.10.2013	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	13,000,000	28,760	NA	1,999
	Amount of Investment in Associates/ Joint Venture	252.8	-	867.6	0.0	444.6	1,436.4
	Extend of Holding %	45.00%	50.00%	11.69%	28.76%	40.61%	19.99%
3	Description of how there is significant influence	NA	NA	NA	NA	NA	NA
4	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA
5	Networth attributable to Shareholding as per latest audited Balance Sheet	55.7	-	1,003.5	0.0	0.2	(582.2)
6	Profit / Loss for the year						
	i. Considered in Consolidation	7.6	(15.4)	(250.1)	(0.0)	132.1	(128.6)
	ii. Not Considered in Consolidation	9.3	(15.4)	(1,889.1)	0.0	193.2	(514.7)

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

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Wholetime Director

C. S. MURALIDHARAN
Chief Financial Officer

SAILESH T. DESAI
Wholetime Director
Mumbai, May 25, 2018

SUNIL R. AJMERA
Company Secretary