SUN PHARMA LABORATORIES LIMITED

21ST ANNUAL REPORT

2016-17

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Kalyanasundaram Subramanian (Appointed w.e.f. 13th February, 2017)	Additional and Whole-Time Director & CEO
Mr. Abhay Gandhi (Upto 09th November, 2016)	Whole-Time Director and CEO
Mr. Sudhir V. Valia	Non-Executive Director
Mr. S. Mohanchand Dadha	Independent Director
Ms. Rekha Sethi	Independent Director
Mr. Naresh Chand Singhal	Independent Director

CHIEF FINANCIAL OFFICER
Mr. Uday Baldota (Upto 19th June, 2017)

COMPANY SECRETARY
Ms. Rachana Kokal

AUDITORS
Deloitte Haskins & Sells LLP
Chartered Accountants

REGISTERED OFFICE
Sun House, Plot No. 201 B/1,
Western Express Highway, Goregaon (E),
Mumbai – 400063
CIN: U25200MH1997PLC240268
Website: www.spll.co.
Contact no: 022-43244324

REGISTRAR & TRANSFER AGENT
(For Debt Securities Only)
Link Intime (India) Private Limited,
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400 083
Tel No: +91 22 49186000

DEBENTURE TRUSTEE
M/s Axis Trustee Services Limited
Axis House, Wadia International
Centre, Pandurang Budhkar Marg,
Worli, Mumbai – 400 025
Tel.: 91 022 - 2425 3062
Email: mangalagowri.bhat@axistrustee.com

NOTICE OF 21st ANNUAL GENERAL MEETING

Notice is hereby given that the **Twenty First Annual General Meeting** of the Members of **Sun Pharma Laboratories Limited** will be held on **Monday, 25th September, 2017 at 10:45 a.m.** at the Registered Office of the Company at Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai – 400 063 at shorter notice to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended on 31st March, 2017 and the reports of the Board of Directors and Auditors thereon.

2. To consider declaration of dividend on Preference Shares.

3. To consider declaration of dividend on Equity shares.

4. To appoint Director in place of Mr. Sailesh T Desai (DIN: 00005443), who retires by rotation and being eligible, offers himself for reappointment.

5. To consider and appoint Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration and in this regard to consider and if thought fit to pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), S R B C & Co. LLP, Chartered Accountants, Mumbai (Firm's Registration No. 324982E / E300003) be and are hereby appointed as the Statutory Auditors of the Company for a term of 5 (Five) consecutive years to hold office from the conclusion of this 21st Annual General Meeting until the conclusion of the 26th Annual General Meeting of the Company, at such remuneration (exclusive of applicable taxes and reimbursement of out of pocket expenses) as shall be fixed by the Board of Directors of the Company in consultation with them"

SPECIAL BUSINESS:

6. **To consider and, if thought fit, to pass, the following resolution as an ORDINARY RESOLUTION:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including statutory modification(s) or re-enactment thereof, for the time being in force) the Company hereby ratifies the remuneration as set out in the Explanatory Statement annexed to the Notice of this Meeting payable to M/s. Kailash Sankhlecha & Associates, Cost Accountants, appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the financial year 2017-18.

   RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution."

7. **To consider and, if thought fit, to pass, the following resolution as an ORDINARY RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Section- 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Kalyanasundaram Subramanian (DIN: 00179072), who was appointed as an Additional Director by the Board of Directors of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. **To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:**

   "RESOLVED THAT pursuant to provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, read with Schedule V of the Companies Act, 2013, or any amendment or modification thereof and subject to such other permissions/approvals as may be required, Mr. Kalyanasundaram Subramanian ("Kal Sundaram") , who is already appointed and acting as CEO India Business and Emerging Market, as the Whole-time Director & Chief Executive Officer of the Company for a period of 2 (two) years from his initial date of appointment i.e. February 13, 2017 to February 12, 2019 at the remuneration as recommended by Nomination & Remuneration Committee and approved by the Board and on such terms and conditions (including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the terms of his appointment letter with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or remuneration, in such manner as may be agreed to between the Board of Directors and Mr. Kal Sundaram within and in accordance with the limit prescribed in Schedule V of the Companies Act, 2013 or any amendment thereto and, if necessary, as may be prescribed by the Central Government and subject to the approval of the Nomination & Remuneration Committee and the approval of the shareholders as may be required, and agreed to between the Board of Directors as may be acceptable to Mr. Kal Sundaram.

   The main terms and conditions of Mr. Kal Sundaram's appointment in addition to the terms and conditions mentioned in the appointment letter shall be as under:

   1. Subject to the supervision and control of the Board of Directors and subject to the provisions of Companies Act, 2013, the Whole-time Director will carry out such duties and exercise such powers as may be entrusted to him by the Board of Directors. He is further authorised to do all such acts, deeds, things and matter as may be required to do, as the Whole-time Director & CEO. Mr. Kal Sundaram shall perform such duties and exercise such powers as are additionally entrusted to him by the Board.
   2. The appointment of Mr. Kal Sundaram as the Whole-time Director of the Company would be subject to the provisions of Section 152(6) of the Companies Act, 2013, i.e. Mr. Kal Sundaram would be liable to retire by rotation.
   3. The appointment as Whole-Time Director will be terminable as per the terms of appointment letter of Mr. Kal Sundaram or upon Mr. Kal Sundaram ceasing to be a Director of the Company.

RESOLVED FURTHER THAT the remuneration payable to Mr. Kalyanasundaram Subramanian shall be determined by the Board of Directors based on the recommendations of the Nomination & Remuneration Committee, from time to time within however, the maximum limit as set forth below:

1. Salary (including bonus) and perquisites not exceeding Rs. 75,00,000/- (Rupees Seventy Five Lakhs only) per month. He will be entitled to furnished/non furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, Company's maintained car, telephones and such other allowances, benefits and perquisites in accordance with the Company's rules, and/or any other allowance, benefits and perquisites as the Board may decide from time to time, the monetary value of such perquisites to be determined in accordance with the Income-tax Rules, 1962.

2. Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

3. Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the currency of tenure of Mr. Kal Sundaram as Whole-time Director & CEO, he shall be entitled to receive a total remuneration including perquisites, etc. upto the limit as approved by the members herein above, as minimum remuneration, subject to receipt of such approvals as may be required, if any.

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), i.e. the salary, perquisites, allowances, etc. within such prescribed limit or ceiling and the aforesaid Appointment letter of Mr. Kal Sundaram be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required under law;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as they may deem fit, expedient or desirable to give effect to this Resolution."

9. **To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION.**

"**RESOLVED THAT** pursuant to the provisions of Section 71 of the Companies Act, 2013 ("the Act") read with the Companies (Share Capital and Debentures) Rules, 2014, and pursuant to the provisions of Section 42 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions, if any, of the Act, consent of the members be and is hereby accorded to raise/borrow from time to time by way of issue of nonconvertible securities including but not limited to bonds and/or non-convertible debentures (NCDs) and / or money market instruments, in one or more tranches, on a private placement basis as may be necessary, for a period of 1 (one) year from the date hereof, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board of Directors (or any other person so authorized by the Board of Directors), based on the prevailing market conditions.

RESOLVED FURTHER THAT the aggregate amount to be raised through the issuance of nonconvertible securities including but not limited to bonds and/or NCDs and / or money market instruments in one or more tranches pursuant to the authority under this Resolution shall not exceed the overall limit of Rs. 6,500 Crore (Rupees Six Thousand Five Hundred Crore only).

RESOLVED FURTHER THAT the Board of Directors of the Company, including any Committee thereof or any other person so authorized by the Board of Directors, be and is hereby severally authorised to do all such acts, deeds, matters and things and to execute all such agreements, documents, instruments, applications etc. as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the aforesaid Resolution as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any of the

Directors and/or Officers of the Company / any other person(s) authorized by them, to give effect to this Resolution."

10. **To consider and, if thought fit, to pass the following resolution as ORDINARY RESOLUTION.**

"**RESOLVED THAT** pursuant to the provisions of Section 181 of the Companies Act, 2013 and other applicable provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors in case of loss or inadequate profit for contributing and/or subscribing from time to time in any financial year to any national, charitable, social, benevolent, public or general and other funds/institutions/ hospitals/ trusts/entities whether or not directly relating to the business of the Company or the welfare of its employees upto an aggregate amount of five per cent of the average net profits of the Company during the three financial years immediately preceding or such sum as may be prescribed under the Companies Act, 2013 or the relevant regulations plus Rs. 50,00,00,000/- (Rupees Fifty Crores only) in each financial year."

11. **To consider and, if thought fit, to pass the following resolution as ORDINARY RESOLUTION.**

"**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 ('the Act') read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof , for the time being in force), and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Company to enter / continue to enter into transactions of sales and/ or purchase of products or other transactions as the Board of Directors of the Company may deem fit and proper, from time to time with Aditya Medisales Limited having CIN: U24230GJ1990PLC014535, (hereinafter referred to as "AML"), which in the near future will become a related party of the Company in terms of section 2(76) of the Act, on such terms and conditions as may be mutually agreed to between the Company and AML, subject to each transaction with AML being entered on an arm's length basis irrespective of whether the same is in the ordinary course of business or not;

RESOLVED FURTHER THAT the Board of Directors of the Company or any other person(s) authorised by them, be and are hereby authorised to execute, deliver and perform such agreements, contracts, deeds and other documents and deal with any matters, take necessary steps in the matter as they may in their absolute discretion deem necessary or expedient and to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transaction(s) with AML, and make such changes to the terms and conditions as may be considered necessary, expedient or desirable and execute such addendum agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this Resolution, in the best interest of the Company."

By Order of the Board of Directors,
For **Sun Pharma Laboratories Limited,**

Place: Mumbai
Date: 14th September, 2017

Rachana Kokal
Company Secretary

Registered Office:
Sun House, Plot No. 201 B/1,
Western Express Highway, Goregaon (E),
Mumbai - 400063.
CIN: U25200MH1997PLC240268
Website: www.spll.co.

NOTES:

1) The relative Explanatory Statement, pursuant to Section 102(1)of the Companies Act, 2013 relating to the Special Business to be transacted at the 21st Annual General Meeting of the Company (the "Meeting" or "AGM") under Item Nos. 6 to 11 and for resolution relating to Appointment of Auditors under Item No. 5 of this Notice, is annexed hereto. The relevant details as required under Clause1.2.5 of Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India (SS-2), in respect of the persons seeking appointment / re-appointment as Director and/or relating to remuneration of Directors is given under the heading "Profile of Directors" forming part of this Notice.

2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

3) The proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time appointed for holding of the meeting.

4) Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and at the venue of the Annual General Meeting during Meeting hours.

5) The Board of Directors at its Meeting held on 25th May, 2017, recommended a Dividend Rs. 10/- (Rupees Ten only) per preference share of Rs. 100/- (Rupees Hundred only) each and Rs. 40,000/- (Rupees Forty Thousand only) per equity share of Rs. 10/- (Rupees Ten only) each of the Company for the year ended March 31, 2017 and the same if declared at the Meeting will be paid on or before Thursday, September 28, 2017 to the Company's Equity Shareholders whose names stand on the Register of Members on Monday, September 25, 2017 as Members of the Company after giving effect to valid transfers in physical form lodged with the Company before Monday, September 25, 2017.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

As required by Section 102(1) of the Companies Act, 2013 (hereinafter referred as "the Act"), the following Explanatory Statement sets out material facts relating to the Special business under Item Nos. 6 to 11 of the accompanying Notice dated 14th day of September, 2017.

Explanatory Statement setting out the material facts for resolution set out at Item No. 5 of the accompanying Notice relating to appointment of Auditors is also given hereunder.

Item No. 5:

Pursuant to provisions of Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014 and on completion of the term (including the cooling period of three years granted under the Act) of the existing Statutory Auditors namely, Deloitte Haskins and Sells, LLP, Chartered Accountants, the Audit Committee and the Board of Directors of the Company has recommended appointment of S R B C & Co. LLP, Chartered Accountants (Registration No. 324982E / E300003) as the Statutory Auditors of the Company for a term of 5(five) consecutive years to hold office from the conclusion of this 21st Annual General Meeting until the conclusion of the 26th Annual General Meeting of the Company at such remuneration (exclusive of applicable taxes and reimbursement of out of pocket expenses) as shall be fixed by the Board of Directors of the Company in consultation with them.

Their appointment shall be subject to ratification by the members as may be applicable under the provisions of the Act or rules made thereunder from time to time. S R B C & Co. LLP, Chartered Accountants have consented to act as Statutory Auditors and have confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have also confirmed, that they are not disqualified to be appointed as Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 and that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Board recommends the Resolution as set out at item no. 5 of the Notice for approval of the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the above resolution.

Item No. 6

M/s. Kailash Sankhlecha & Associates, Cost Accountants, has been appointed as the Cost Auditors by the Board of Directors of the Company on recommendation of the Audit Committee for conducting audit of cost records of the Company for the financial year ending 31st March, 2018 at a remuneration of Rs. 6,16,000/- (Rupees Six Lakhs Sixteen Thousand Only) excluding reimbursement of out of pocket expenses and applicable taxes.

In terms of provisions of Section 148 (3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, members' ratification is required for remuneration payable to the Cost Auditor.

Therefore, consent of the members of the Company is sought for passing of an Ordinary Resolution as set out at Item No. 6 for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

The Board recommends the Resolution as set out at item no. 6 of the Notice for approval of the Members as Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the above resolution.

Item No. 7 & 8

On recommendation of the Nomination and Remuneration Committee of the Board of Directors of the Company, the Board of Directors of the Company at its meeting held on February 13, 2017 has appointed Mr. Kalyanasundaram Subramanian ('Mr. Kal') as an Additional Director effective from February 13, 2017. In terms of Section 161(1) of the Companies Act, 2013, Mr. Kal holds office upto the date of the ensuing Annual General Meeting. The Board of Directors at the same meeting had also appointed Mr. Kal as a Whole-time Director & Chief Executive Officer ('CEO'), for a period of two years effective from February 13, 2017 to February 12, 2019 on the terms and conditions including remuneration as set out in the resolution Nos. 7 & 8, subject to approval of the members of the Company.

As required under section 160 of the Companies Act, 2013, the Company has received a Notice along with requisite deposit from a member proposing the candidature of Mr. Kal for his appointment as Director of the Company. Mr. Kal fulfils all the conditions given under section 196(3) and Schedule –V to the Companies Act, 2013 for being eligible for his appointment. He is not disqualified in terms of section 164 of the Companies Act, 2013 from being appointed as Director and has given his consent to act as Director.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The copy of the appointment letter of Mr. Kalyanasundaram Subramanian is available for inspection by any member of the Company at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and at the venue of the Annual General Meeting during Meeting hours.

Profile and other particulars of Mr. Kal, as required under the Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India, are provided under heading "PROFILE OF DIRECTORS" forming part of this Notice.

The members' approval is being sought for appointment and remuneration of Mr. Kal as a Whole-time Director of the Company for a period of two years effective from February 13, 2017 to February 12, 2019 in terms of applicable provisions of the Companies Act, 2013 and rules made thereunder.

Further the Members may note that, Mr. Kal has also been appointed as the CEO & Whole-time Director of Sun Pharmaceutical Industries Limited, Holding Company at its Board meeting held on February 14, 2017 for a period of two (2) years i.e. from February 14, 2017 to February 13, 2019 at nil remuneration.

The Board recommends the Resolutions set out at item no. 7 and 8 of the Notice for approval of the Members as Ordinary Resolutions. None of the Directors, Key Managerial Personnel or their relatives, except Mr. Kalyanasundaram Subramanian to whom resolutions relates, are in anyway concerned or interested in the above resolutions.

Item No. 9

As and when required, the Company may enable Board of Directors to raise funds by issuing of non-convertible securities including but not limited to bonds and/or non-convertible debentures (NCDs) and/or Money Market instruments, in one or more tranches from time to time.

Pursuant to Section 42 of the Act, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company is required to obtain approval of its members by way of a special resolution, before making any offer or invitation to subscribe securities to be issued on a private placement basis. The said approval shall be the basis for the Board to determine the terms and conditions of any issuance of bonds and/or NCDs and / or money market instruments by the Company for a period of 1 year from the date on which the members have provided the approval by way of the special resolution.

The members at the 20th Annual General Meeting held on 11th August, 2016, had approved the issue of NCDs and / or money market instruments in one or more tranches, on private placement basis as may be necessary, upto Rs. 6500 Crore (Rupees Six Thousand Five Hundred Crore only). However, the validity of resolution is only for a year. Therefore, consent of the shareholders is once again being sought.

The Company has already raised Rs. 10,00,00,00,000/- (Rupees One Thousand Crore) by allotment on Private Placement Basis, 10,000 (Ten Thousand) Rated Unsecured, Listed Redeemable, Non-Convertible Debentures of Face Value Of Rs. 10,00,000/- (Rupees Ten Lakhs Only) each for cash at par, under two series with Series 1 Debentures Comprising of 5,000 Debentures and Series 2 Debentures Comprising of 5,000 Debentures.

The proposed Special Resolution is intended to give authority to the Board of Directors for the issue of such securities as may be required from time to time in terms of the Resolution.

Your Directors recommend the passing of the Resolution in Item No. 9 of the Notice as a Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives of the Company are in anyway concerned or interested in this Resolution.

Item No. 10

Section 181 of the Companies Act, 2013 enables the Company to make contributions to charitable and other funds, subject to the approval of the members in general meeting in case such contribution exceeds 5 per cent of the Company's average net profits for 3 immediately preceding financial years. Consequently, the Board of Directors of the Company proposes the above resolution as an Ordinary Resolution for approval of the members for making contribution up to an aggregate amount of five per cent of the average net profits of the Company during the three financial years immediately preceding or such sum as may be prescribed under the Companies Act, 2013 or the relevant regulations plus Rs. 50,00,00,000/- (Rupees Fifty Crores only) in each financial year. This is to enable the Company to contribute necessary amounts in the interest of Company and society.

The Board recommends the Resolution as set out at Item no. 10 of the Notice as an Ordinary Resolution, for approval of the Members.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the above resolution.

Item No. 11

Shanghvi Finance Private Limited ("SFPL") in which Mr. Dilip S. Shanghvi, the Promoter and Managing Director of the Holding Company (Sun Pharmaceutical Industries Limited (SPIL)) alongwith his spouse is having 100% shareholding, has initiated a merger of his certain entities with SFPL (hereinafter referred to as 'Merger') out of which, some entities are *inter alia* shareholders of Aditya Medisales Limited.

Aditya Medisales Limited ("AML"), having CIN: U24230GJ1990PLC014535 is a public limited company, incorporated on October 06, 1990 under the Companies Act, 1956 having its registered office at 402, 4th Floor, R.K. Centre, Fatehgunj Main Road, Vadodara – 390 002. AML is primarily engaged in the trading of pharmaceutical products.

Subsequent to receipt of approval(s) of Merger by the regulatory authorities and completion of necessary formalities of Merger, AML will become a direct subsidiary of SFPL. On AML becoming direct subsidiary of SFPL, it will become a related party of the Company from the effective date of the Merger as defined under Section 2(76) of the Companies Act, 2013 ('the Act'). The Merger is expected to be completed before the end of financial year 2017-18.

Presently the Company is having transactions with AML, and on AML becoming a related party, the Company is expected to continue having transactions with AML which may fall in the ambit of material related party transactions.

The Company in its ordinary course of business, sells its products to AML, which further sells the same in Indian domestic market to wholesalers, stockist and others. In the Financial year 2016-17, transactions with AML amounted to around Rs. 5600 Crores (Five Thousand Six Hundred Crore) comprising predominantly of sales. The material transaction threshold as provided under the Act, for transactions not in ordinary course of Business with any related Party(ies) is 10% of the turnover of the Company as per the last audited financial statements or Rs. 100 Crores whichever is lower. The turnover of the Company as per the draft financial statements of the Company for the year ended March 31, 2017 was Rs.5322.8 Crore. Considering the turnover of 2016-17, related party transactions not in ordinary course and in excess of Rs. 532.28 crore (i.e.10% of turnover) or Rs. 100 Crore whichever is lower i.e. related party transactions not in ordinary course and in excess of Rs. 100 crore will require prior approval from the Audit Committee, Board of Directors and Members of the Company. In case the volume of related party tranaction(s) with AML which are not in ordinary course of business crosses the above mentioned threshold, the transaction(s) with AML will require approval from the shareholders of the Company.

The transactions with AML will be carried out on the basis of business requirements whether and will be entered on an arm's length basis irrespective of whether the said transactions are in the ordinary course of business or not and hence the approval from the shareholders of the Company is required in terms of Section 188 of the Act.

Therefore, pursuant to provisions of Section 188 of the Act, it is proposed to obtain prior approval of the shareholders by way of an ordinary resolution for material transactions entered/ to be entered with AML, on AML becoming a related party of the Company.

The particulars of the transaction(s) pursuant to the provisions of Section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

Sr. no.	**Particulars**	**Information**
1	Name of the Related Party	Aditya Medisales Limited
2	Name of Director(s) or Key Managerial Personnel who is related	Mr. Sudhir V. Valia being brother in law of Mr. Dilip S. Shanghvi the Promoter and Managing Director of the Holding Company (Sun Pharmaceutical Industries Limited (SPIL)) may be considered as interested in the Resolution.
3	Nature of Relationship	Shanghvi Finance Private Limited ("SFPL") in which Mr. Dilip S. Shanghvi, the Promoter and Managing Director of the Holding Company (Sun Pharmaceutical Industries Limited (SPIL)) , alongwith his spouse is having 100% shareholding, has initiated a merger of certain entities with SFPL out of which, some entities are *inter alia* shareholders of Aditya Medisales Limited. Subsequent to receipt of approval(s) of Merger by the regulatory authorities and completion of necessary formalities of merger, AML will become a direct subsidiary of SFPL. On AML becoming a direct subsidiary of SFPL, it will become a related party of the Company from the effective date of the Merger.

4	Nature, material terms and particulars of the contract or arrangement	Nature of transactions: All transactions to be carried out based on business requirements of the Company shall be entered on an arm's length basis irrespective of whether the same is in the ordinary course of business or not. The transactions to be carried out between the Company and AML will be predominantly of sales, and other nominal transactions such as purchases or supply of goods or materials, availing or rendering of services, leasing of property of any kind or other transaction as may be deem fit by the Audit Committee and Board of Directors of the Company. Term of the approval: For a period of five years from the date of this 21st Annual General Meeting till the date of 26th Annual General Meeting.
5	Monetary Value	The transactions upto Rs. 12000 crores in the first financial year to be ended on March 31, 2018 with increase in value and volume of the transactions in the subsequent financial years.
6	Whether the transactions have been approved by Audit Committee and the Board of Directors	Yes
7	Any other information relevant or for the Members to make a decision on the proposed transactions	None

The Board is of the opinion that the aforesaid related party transaction(s) is in the best interest of the Company.

The members' approval is being sought for approval of the transactions to be entered with AML under Section 188 of the Act or any other provisions of the Act. Further, in terms of provisions of the Act, all related party(ies) will abstain from voting on this resolution as set out at Item no. 11 of the Notice.

The Board recommends the Resolution as set out at Item No.11 of the Notice for the approval of the Members as an Ordinary Resolution. Mr. Sudhir V. Valia, Director, being brother-in-law of Mr.Dilip S. Shanghvi (Promoter and Managing Director of SPIL) is concerned or interested in this resolution. Relatives of Mr. Sudhir V. Valia may also be deemed to be interested in this resolution.

Save and except the above, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the Resolution as set out at Item no. 11 of the Notice.

By Order of the Board of Directors,
For **Sun Pharma Laboratories Limited,**

Place: Mumbai
Date: 14th September, 2017

Rachana Kokal
Company Secretary

PROFILE OF DIRECTORS

(Details of Directors proposed to be appointed / re-appointed)

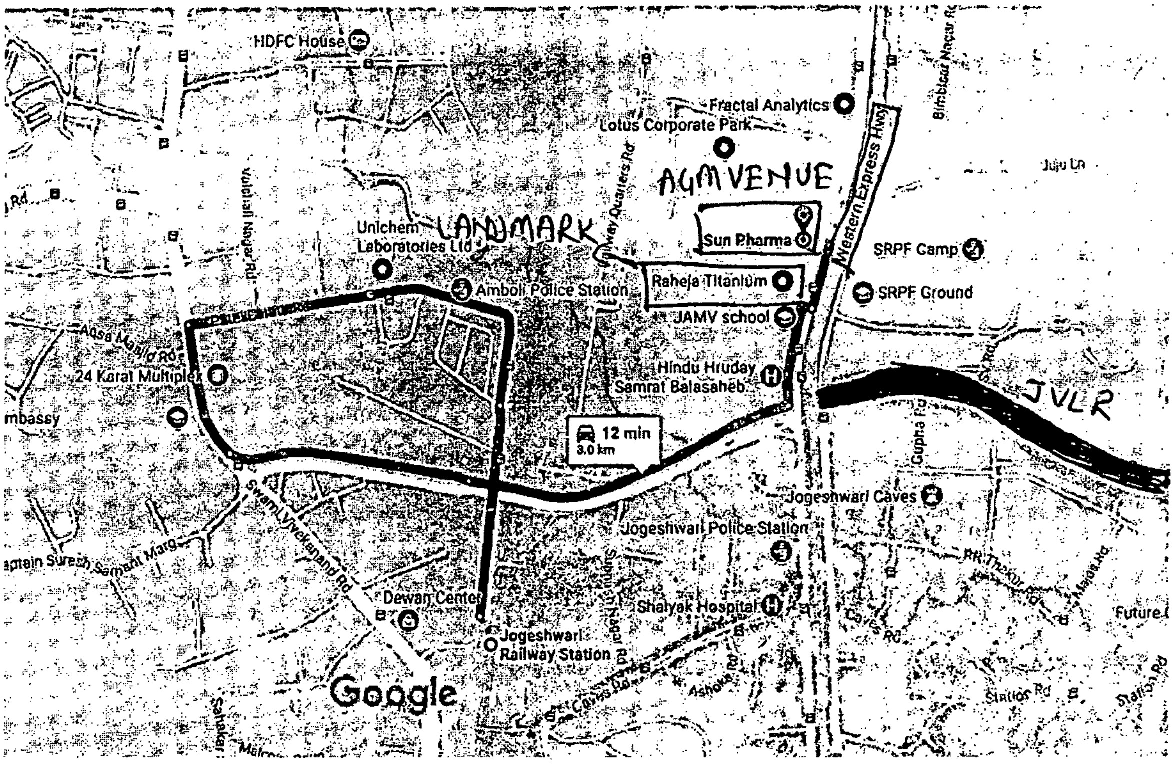
As required under Secretarial Standard - 2, the particulars of Mr. Kalyanasundaram Subramanian and Mr. Sailesh T. Desai who are proposed to be appointed at this 21st Annual General Meeting, are given below:

The details of Board and Committee Meetings attended by these Directors during the year 2016-17 are stated in the Board's Report which forms part of the Annual Report.

The details of remuneration, wherever applicable, are provided in the respective resolution(s) and in the respective Explanatory Statement(s).

Particulars	Mr. Kalyanasundaram Subramanian (Kal)	Mr. Sailesh T. Desai
Age	63 years	62 Years
Brief resume of the Director including nature of expertise in specific functional areas	Mr. Kal joined Sun Pharmaceutical Industries Limited (SPIL) in January 2010 after 22 years with GSK in various parts of the world. Mr. Kal is a Chemistry graduate and a Chartered Accountant from India with 37 years of experience of which some 30 years in the pharmaceutical industry. Mr. Kal's career in Pharma industry began when he joined Burroughs Wellcome, in New Zealand as Commercial Advisor in 1988. His long and varied career with Burroughs Wellcome in New Zealand which was acquired by Glaxo to become GlaxoWellcome and finally GlaxoSmithKline, includes assignments as Vice President, head of Classic Brands business of Emerging Markets; Area Director South Asia & Managing Director, GSK India; Managing Director – GlaxoWellcome, Singapore (Singapore, Indochina & Myanmar). Commercial Director - Burroughs Wellcome, New Zealand. In 2010, Mr. Kal Joined SPIL as the Whole-Time Director & to manage India and Emerging Markets (EM) of SPIL. Mr. Kal was instrumental in Merck (MSD) and SPIL collaboration and spearheaded opening of SPIL operations in few important markets such as Japan, MENA. In 2012, Mr. Kal resigned as Director of SPIL, and moved to USA as Director & CEO of Taro, subsidiary of SPIL, to assume responsibility for Taro operations in North America. In Jan 2017, Mr. Kal moved back to India to manage India and EM regions of SPIL. He has also been appointed as Whole-Time Director of SPIL without remuneration w.e.f 14th February, 2017.	Mr. Sailesh T. Desai is a science graduate from Kolkata University and is a successful entrepreneur with more than three decades of wide industrial experience including more than two decades in the pharmaceutical industry.
Date of First appointment on the Board	13th February, 2017	30th October, 2012
Directorship held in other companies (excluding foreign companies & section 8 companies)	Sun Pharmaceutical Industries Limited	Sun Pharmaceutical Industries Limited Sun Pharmaceutical Medicare Limited Universal Enterprises Private Limited
Membership / Chairmanships of Committees of other public Companies	NIL	Sun Pharmaceutical Industries Limited – Allotment Committee
Inter-se Relationship between Directors	NIL	NIL
No. of Shares held in the Company (singly or jointly as first holder) as on 31st March, 2017	NIL	1 share jointly with Sun Pharmaceutical Industries Limited and as a nominee of Sun Pharmaceutical Industries Limited

ROUTE MAP to AGM Venue
Prominent Landmark – Beside Raheja Titanium



SUN PHARMA LABORATORIES LTD.
Registered Office: Sun House, CTS No. 201 B/1, Western Express Highway, Goregaon-East, Mumbai - 400 063, India..Tel Nos: 02243244324
CIN: U25200MH1997PLC240268

ATTENDANCE SLIP

TWENTY FIRST ANNUAL GENERAL MEETING OF THE COMPANY AT 10:45 AM. ON MONDAY, 25TH SEPTEMBER, 2017 AT SUN HOUSE, CTS NO. 201 B/1, WESTERN EXPRESS HIGHWAY, GOREGAON-EAST, MUMBAI - 400 063,

Sr. No.	:
Folio/D.P. & Client I.D. No.	:
Name	:
Address	:
Joint Holder (s)	:

I /We hereby record my presence at the **TWENTY FIRST ANNUAL GENERAL MEETING** of the Company **at 10:45 a.m. on 25th September, 2017 at Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon-East, Mumbai - 400 063.**

Signature of the Attending Member: ____________________ Signature of Proxy:____________

NOTES:
(1) Shareholder/ Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
(2) Shareholder/ Proxy holder desiring to attend the meeting should bring his/her copy of the Notice for reference at the meeting.

....Cut here..

SUN PHARMA LABORATORIES LTD.
Registered Office: Sun House, CTS No. 201 B/1, Western Express Highway, Goregaon-East, Mumbai - 400 063, India..Tel Nos: 02243244324
CIN: U25200MH1997PLC240268

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014*]*

Name of the member(s)	
Registered address	
No. of Shares held	
Folio No/ DP Id & Client Id	
Joint Holder (s)	
E-mail Id	

I/We, being the member (s) of ______________ shares of Sun Pharma Laboratories Limited, hereby appoint:

1.Name:....................................Address:....................................
E-mail Id:.................................... Signature: .... or failing him / her
2.Name:....................................Address....................................
E-mail Id: .... Signature: .... or failing him / her
3.Name:....................................Address: ....
E-mail Id: .... Signature: ....
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **TWENTY FIRST ANNUAL GENERAL MEETING** of the Company **at 10:45 a.m. on Monday, 25th September, 2017 at Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon-East, Mumbai - 400 063.**

Signature of Shareholder: .... Signed this............ day of 2017

Affix Revenue Stamp of Re.1/-

Signature of Proxy holder(s): ....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon-East, Mumbai - 400 063 not less than FORTY EIGHT HOURS before commencement of the Meeting.

BOARD'S REPORT

To,
The Members of,
SUN PHARMA LABORATORIES LIMITED,

Your Directors present the Twenty First Annual Report and the Audited Financial Statements for the year ended 31st March, 2017.

FINANCIAL RESULTS

(Rs. in Millions)

Particulars	Standalone		Consolidation	
	2016-17	2015-16	2016-17	2015-16
Total – Revenue	53,228.9	47,093.0	53,228.9	47,093.0
Profit Before Tax	9,691.0	7,877.5	9,677.70	7,876.90
Tax Expense:				
-Current Tax	2,100.0	1,560.0	2,100.0	1,560.0
-Deferred Tax Charge / Credit	6.7	60.6	6.7	60.6
(Loss) / Profit after tax	7,584.3	6,256.9		
Profit after Tax before Share in profit / (loss) of associates			7,571.00	6,256.30
Share of Profit of Associates			2.5	0.0
Total Other Comprehensive Income	-107.0	-79.6	-107.1	-79.6
Total Comprehensive Income	7,477.3	6,177.3		
Total Comprehensive Income for the period attributable to:				
-Owners of the Company			7,466.4	6,176.7
Opening balance in Retained Earnings	5,698.1	562.5	5,691.20	556.20
Amount available for appropriation				
Dividend on Equity Shares	-2,000.0		-2,000.0	
Dividend on Preference Shares	-40.0		-40.0	
Corporate Dividend tax	-415.3		-415.3	
Transfer to various Reserves:				
-Debenture redemption Reserve	-1,041.7	-1,041.7	-1,041.7	-1,041.70
Closing balance in Retained Earnings	9,678.4	5,698.1	9,660.7	5,691.2

Figures for Financial Year 2015-16 of Stand alone financial statement have been restated as per Ind AS and therefore may not be comparable with financials for Financial Year 2015-16 approved by the Directors and disclosed in the Financial Statement of previous year.

STATE OF COMPANY'S AFFAIRS

During the current year of operation, the Company on Standalone basis has registered a growth in the total income from Rs. 50,868.9 Million to Rs.55,515.4 Million due to increase in sales. Therefore, the profit before tax has increased from Rs. 7,877.5 Million to Rs. 9,691.0 Million. Consequently, the Company has registered profit after tax of Rs. 7,584.3 Million. The contribution of subsidiaries and associates in consolidation is minor as reflected in the Financial Results.

DIVIDEND

Your Directors have recommended dividend of Rs. 10/- (Rupees Ten only) per preference share of Rs. 100/- (Rupees Hundred only) each and Rs. 40,000/- (Rupees Forty Thousand only) per equity share of Rs. 10/- (Rupees Ten only) each for the year ended on 31st March, 2017, subject to approval of members at the ensuing Annual General Meeting.

TRANSFER TO RESERVES

The Company has transferred an amount of Rs. 1041.7 Million from Profit & Loss Account to Debenture Redemption Reserve Account.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. Sailesh T Desai, Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. Your Directors recommend his appointment.

With effect from 10th November, 2016, Mr. Abhay Gandhi resigned as Whole time Director & CEO of the Company due to his shifting to United States of America to look after business of another subsidiary company of Sun Pharmaceutical Industries Limited i.e. the Holding Company of Sun Pharma Laboratories Limited. Mr. Kalyanasundaram Subramanian was appointed as an Additional Director of the Company, Whole-Time Director & CEO w.e.f. 13th February, 2017 as per the provisions of Section 161(1) of the Companies Act, 2013 and he shall hold the office upto the date of ensuing Annual General Meeting. The Board recommends appointment and remuneration of Mr. Kalyanasundaram Subramanian as a Whole-time Director & CEO of the Company for a period of 2 (Two) years upto 12th February, 2019, for approval of the members at the ensuing Annual General Meeting.

Mr. Uday Baldota, Chief Financial Officer of the Company, has resigned as Chief Financial Officer w.e.f. 19th June, 2017 to assume office as Chief Executive Officer of Taro Pharmaceutical Industries Limited, a subsidiary of the Holding Company, Sun Pharmaceutical Industries Limited. Mr. C.S. Muralidharan is proposed to be appointed as Chief Financial Officer w.e.f 19th June, 2017 at the Adjourned Board Meeting to be held on 26th May, 2017 with nil remuneration from the Company. Mr. C.S. Muralidharan is also proposed to be appointed as the Chief Financial Officer of the Holding Company, Sun Pharmaceutical Industries Limited w.e.f. June 19, 2017 at their Board Meeting to be held on 26th May, 2017

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under section 134(5) read with section 134(3)(c) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

a) in the preparation of the annual accounts for the financial year ended 31st March, 2017 , the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the year ended on that date;

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

d) the Directors have prepared the annual accounts on a going concern basis; and

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company met Four(4) times during the previous financial year on 30th May, 2016, 11th August, 2016, 9th November, 2016 and 11th February, 2016. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Attendance of each Director at the Board meetings is given below:

Name of the Director	Number of Board meetings held during the tenure of respective Director	Number of Board meetings attended
Mr. Kalyanasundaram Subramanian*	1	1
Mr. Sudhir Valia	4	4
Mr. Sailesh Desai	4	4
Mr. S. Mohanchand Dadha	4	4
Ms. Rekha Sethi	4	4
Mr. Naresh Chand Singhal	4	3
Mr. Abhay Gandhi**	3	3

*Appointed w.e.f.13th February, 2017
**Upto 10th November, 2016

NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee of the Company comprises of three Directors viz. Mr. S. Mohanchand Dadha, Mr. Sailesh Desai and Ms. Rekha Sethi. Ms. Rachana Kokal, Company Secretary of the Company is the Secretary of theCommittee.

The Nomination & Remuneration Committee met four times(4) during the previous financial year on 30thMay, 2016, 11thAugust , 2016, 9th November, 2016 and 13thFebruary , 2017. The attendance of each Member of the Committee is given below:

Name of the Director	Chairman / Member	Number of meetings held during thetenure of the respective members	Number of Committee meetings attended
Mr. S. Mohanchand Dadha	Chairman	4	4
Mr. Sailesh Desai	Member	4	4
Ms. Rekha Sethi	Member	4	4

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

For the purpose of selection of any Director, the Nomination & Remuneration Committee (NRC) identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and also takes into consideration recommendation, if any, received from any member of the Board. The Committee also ensures that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection, appointment and remuneration of Directors & Senior Management.

The Key highlights of the Remuneration Policy of the Company are as follows:

A. Guiding Principles for remuneration: The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge & skill required including complexity of his job, work duration and risks associated with the work, and attitude of the worker like, positive outlook, team work, loyalty etc.

B. Components of Remuneration: The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.

   a. Fixed compensation: The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.

   b. Variable compensation: The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.

   c. Share based payments: The Board may, on the recommendation of the NRC, issue to certain class of personnel a share and share price related incentive program.

   d. Non-monetary benefits: Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance / credit facility, rent free accommodation, Company cars with or without chauffer's, share and share price related incentive, reimbursement of electrify and telephone bills etc.

   e. Gratuity/group insurance: Personnel may also be awarded to group insurance and other key man insurance protection. Further as required by the law necessary gratuity shall be paid to the personnel.

   f. Commission: The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.

C. Entitlement: The authority to determine the entitlement to various components as aforesaid for each class and designation of personnel shall be as follows:

Designation/Class	To be determined by
Director	Members on recommendation of NRC and the Board.
Key Managerial Personnel other than Directors	Human Resources Head
Other employees	Human Resources Head

EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

During the year, the evaluation of the annual performance of individual directors including Independent Directors, Board and Committees of the Board was carried out under the provisions of the Act and relevant Rules and the circular issued by SEBI dated January 5, 2017 with respect to Guidance Note on Board Evaluation. The Nomination and Remuneration Committee had approved the indicative criteria for the evaluation based on the SEBI Guidance Note on Board Evaluation.

The Chairman of the Board Meeting at which the matter was discussed and the Chairman of Audit and Nomination and Remuneration Committee Meeting, i.e. Mr. S. Mohanchand Dadha interacted with each Director individually, for evaluation of performance of the individual directors.

The evaluation for the performance of the Board as a whole and of the Committees was conducted by questionnaires.

In a separate meeting of Independent Directors, performance of Non Independent Directors and performance of the Board as a whole was evaluated.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria such as structure and diversity of the Board, experience of Director, strategy and performance evaluation, secretarial support, evaluation of risk, evaluation of performance of the management and feedback, independence of the management from the Board etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as mandate and composition, effectiveness of the committee, structure of the committee and meetings, independence of the committee from the Board and contribution to decisions of the Board. The Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as knowledge and competency, fulfillment of functions, availability and attendance, initiative integrity contribution and commitment, independence, independent views and judgement etc.

HUMAN RESOURCES

Your Company recognises that employees are the most valuable resource and endeavors to enable its employees to meet business requirements while meeting their career aspirations. The Human Resource agenda continues to support the business in achieving sustainable and responsible growth by building the right capabilities in the organisation. It continues to focus on progressive employee relations policies and building a high-performance culture with a growth mind-set where employees are engaged, productive and efficient. The Company has a dedicated human capital of around 6500 employees at various locations across our Registered Office, active Manufacturing locations, dedicated Sales Professionals across various geographies. Your Directors would also like to take this opportunity to express their appreciation for the hard work and commitment of the employees of the Company and look forward to their continued contribution. Information as per Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **"Annexure A"** to this report. Further, the information pertaining to 5(2) & 5(3) of the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014, pertaining to the names and other particulars of employees is available for inspection at the Registered office of the Company during business hours and pursuant to the proviso to Section 136 (1) of the Act, the report and the accounts are being sent to the members excluding this. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary at Registered office address of the Company.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the Company has made the Whistle Blower Policy of Sun Pharmaceutical Industries Limited (SPIL) applicable to the Company, since it is a wholly owned subsidiary of SPIL. This Whistleblower Policy aspires to encourage all employees to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events (behaviours or practices) that affect Company's interest / image. The same is available on the website of the Company i.e. www.spll.co.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavor of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. SPIL has adopted a policy on prevention, prohibition and redressal of sexual harassment at work place in line with the provisions of the Sexual harrasment of Women at Workplace (Prevention, Prohibition and Redressal)Act,2013 and the Rules thereunder for the prevention and redressal of complaints of sexual harassment at workplace which is applicable to its subsidiaries and consequently applicable to the Company. The Company arranged various interactive awareness workshops in this regard for the employees in the manufacturing sites & Registered Office during the financial year. The Company submitted the Annual returns to the local authorities under the above mentioned act. During the year ended 31st March 2017, no complaints pertaining to sexual harassment was received by the Company.

AUDIT COMMITTEE COMPOSITION

The Audit Committee of the Company was re-constituted on 11th February, 2016 and comprises of four Directors viz. Mr. S. Mohanchand Dadha, Mr. Sudhir V. Valia, Ms. Rekha Sethi and Mr. Naresh Chand Singhal. Ms. Rachana Kokal, Company Secretary of the Company is the Secretary of Audit Committee.

The Audit Committee met four (4) times during the previous financial year on 30th May, 2016, 11th August , 2016, 9th November , 2016 and 13th February , 2017. The attendance of each Member of the Committee is given below:

Name of the Director	Chairman / Member	Number of meetings held during the tenure of the respective members	Number of Committee meetings attended
Mr. S. Mohanchand Dadha	Chairman	4	4
Mr. Sudhir V. Valia	Member	4	4
Ms. Rekha Sethi	Member	4	4
Mr. Naresh Chand Singhal	Member	4	3

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013 ('the Act') in prescribed form MGT-9 is enclosed as **"Annexure B"** to this report

AUDITORS

STATUTORY AUDITORS

The Company's Auditor, Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm's Regn No. 117366W/W-100018), were appointed as the Statutory Auditors of the Company for a period of three years at the 18th Annual General Meeting of the Company, and they shall retire at the conclusion of the ensuring 21st Annual General Meeting of the Company. The Auditors' Report for the financial year ended 31st March, 2017, has been issued with an unmodified opinion, by the Statutory Auditors. The Board of Directors placed on record their appreciation for the retiring auditors.

The Board of Directors of the Company had proposed and recommended the appointment of M/s. S R B C & Co LLP, Chartered Accountants, (Firm Registration No. 324982E/E300003) as the statutory auditors of the Company for a period of 5(Five) years from the conclusion of 21st Annual General Meeting of the Company, upto the conclusion of the 26th Annual General Meeting of the Company, subject to approval of members at the ensuing 21st Annual General Meeting and ratification by members at every Annual General Meeting of the Company, if required by Companies Act, 2013. M/s. S R B C & Co LLP, Chartered Accountants, have confirmed their eligibility under Section 141 of the Act and the Rules framed thereunder for the appointment as Auditors of the Company.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs C. J. Goswami & Associates, Practicing Company Secretaries, Mumbai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **"Annexure C"**.The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

COST AUDITORS

The Company has appointed Messers Kailash Sankhlecha & Associates, Cost Accountants, Vadodara as Cost Auditors of the Company for conducting Cost Audit in respect of Pharmaceutical Formulations of your Company for the Year 2017-18.

LOANS, GUARANTEES & INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered by the Company during the previous financial year with the related parties were in the ordinary course of business and on arm's length basis except one. As the contract which was not in ordinary course was not material, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC 2 is not applicable for the current year.

INTERNAL FINANCIAL CONTROLS

The Company has in place well defined and adequate internal financial control framework. During the year, such controls were tested and no material weakness in their design or operation were observed.

CORPORATE SOCIAL RESPONSIBILITY

At the beginning of the year, the Committee comprised of Mr. Sudhir V. Valia, Mr. Abhay Gandhi and Ms. Rekha Sethi. During the year the Committee was re-constituted and now comprises of three Directors viz. Mr. Sudhir V. Valia, Mr. Kalyanasundaram Subramanian and Ms. Rekha Sethi. Ms. Rachana Kokal, Company Secretary of the Company is the Secretary of the said Committee.

The Corporate Social Responsibility Committee met on 30th May, 2016 and 13th February, 2017, during the year. The attendance of each Member of the Committee is given below:

Name of the Director	Chairman / Member	Number of meetings held during the tenure of the respective members	Number of Committee meetings attended
Mr. Sudhir V. Valia	Chairman	2	2
Ms. Rekha Sethi	Member	2	2
Mr. Kalyanasundaram Subramanian*	Member	1	1
Mr. Abhay Gandhi **	Member	1	1

*Appointed w.e.f.13th February, 2017

**Upto 10th November, 2016

The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the Corporate Social Responsibility Committee is available on the website of the Company and can be accessed on the Company's website www.spll.co.

During the year, the Company carried out a detailed assessment of the additional areas where the CSR activities should be focused so as to maximise societal good. Based on interactions with a wide cross section of stakeholders - internal and external – the Company has added areas for its CSR activity(ies). Due to the time taken to identify the additional areas, the Company was able to spend on CSR an amount of Rs. 71.96 Million only during the year as against Rs. 107.75 Million which is the requirement as per the Act.. In the current year the Company endeavors to increase the spending on CSR and be in line with the norms in this area

The details of the Corporate Social Responsibility activities undertaken and expenditure incurred thereon by the Company and brief details on the CSR activities are given in **"Annexure D".**

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

No significant or material orders were passed by the Regulators or Courts or Tribunals during the previous year which may impact the going concern status of the Company's operation in the future.

PUBLIC DEPOSITS

The Company has not accepted any deposit from the Public during the year under review, under the provisions of the Companies Act, 2013 and the rules framed thereunder.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **"Annexure E".**

SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY

The statement containing the salient features of the Financial Statements of the Company's subsidiaries/ joint ventures/ associate companies of the Company is given in Form AOC – 1, which forms a part of this Annual Report.

The highlights of performance of subsidiaries and associate companies and their contribution to the overall performance of the Company during the financial year is given under Annexure A of the Consolidated Financial Statements forming part of this Annual Report.

Details pertaining to companies that became subsidiaries/ joint ventures /associates and those that ceased to be the subsidiaries/ joint ventures/ associates of the Company during the year are provided in Note 36 of the notes to the Consolidated Financial Statements, forming part of this Annual Report.

CONSOLIDATED ACCOUNTS

The consolidated financial statements for the year ended March 31, 2017 has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 together with the comparative period data as at and for the previous year ended March 31, 2016. Further, the Company has prepared the opening consolidated balance sheet as at April 1, 2015 (the transition date) in accordance with Ind AS.

CREDIT RATING

ICRA Ltd. has assigned the highest credit rating of 'ICRA A1+'/'ICRA AAA (Stable)' for the bank facilities and long term/short term borrowings of the Company.

RISK MANAGEMENT

The Company has laid down procedures to inform Board members about the existing risk assessment framework which includes inter-alia identification of critical risks, assessment of likelihood and impact, mitigating actions taken by the management and periodic review to ensure that such risks are either eliminated or their impact minimized.

ACKNOWLEDGMENTS

Your Directors wish to thank all stakeholders, employees and business partners, Company's bankers, medical profession and business associates for their continued support and valuable cooperation.

For and on behalf of the Board of Directors

Mr. Kalyanasundaram Subramanian **Whole-Time Director & CEO (00179072)**	**Sudhir V. Valia** **Director (00005561)**
Place: Montreal **Date: 25th May, 2017**	**Place: Mumbai** **Date: 25th May, 2017**

ANNEXURE A

INFORMATION REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

i) **Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2016-17 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17:**

Name of Director	Designation	Ratio of remuneration* of each Director to median remuneration of employees	% increase / (decrease) in Remuneration in the Financial Year 2016-17
Mr. Sudhir V. Valia	Non-Executive Director	0.43	233.33
Mr. Sailesh T. Desai	Non-Executive Director	0.34	100.00
Mr. S. Mohanchand Dadha	Non-executive, Independent Director	0.56	85.71
Mr. Naresh Chand Singhal	Non-executive, Independent Director	0.30	133.33
Ms. Rekha Sethi	Non-executive, Independent Director	0.64	87.50
Mr. Abhay Gandhi **	Whole-Time Director & Chief Executive Officer	92.87	13.00%
Mr. Kalyanasundaram Subramanian ***	Whole-Time Director & Chief Executive Officer	102.16	NA
Mr. Uday Baldota ****	Chief Financial Officer	NA	NA
Ms. Rachana Kokal	Company Secretary	NA	15.31%

* Remuneration to Non Executive Directors consists only of sitting fees and is based on the number of meetings attended during the year.

**Upto 10th November, 2016. Remuneration (Cost to the Company) has been considered on annualized basis.

***Appointed w.e.f.13th February, 2017. Therefore, the increase cannot be given.Remuneration (Cost to the Company) has been considered on annualized basis.

****Mr. Uday Baldota, Chief Financial Officer is not paid any remuneration from the Company.

(ii) **the percentage increase in the median remuneration of employees in the financial year 2016-17:** 6.68%

(iii) **the number of permanent employees on the rolls of Company as on 31st March, 2017:** 6504

(iv) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentage increase in salary of employees other than Key Managerial Personnel: 14.50%
Average percentage increase in salary of Key Managerial Personnel: 14.15% (Remuneration (Cost to the Company) has been considered on annualized basis.)

(v) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Note: All the details of remuneration given above are as per CTC, and the ratios are calculated on that basis.

For and on behalf of the Board of Directors

Mr. Kalyanasundaram Subramanian	**Sudhir V. Valia**
Whole-Time Director & CEO (00179072)	**Director (00005561)**
Place: Montreal	**Place: Mumbai**
Date: 25th May, 2017	**Date: 25th May, 2017**

ANNEXURE B

FORM MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2017

Pursuant to section 92(3) o f the Companies Act, 2013 and rule 12(1) of the Companies (Management and Adminisstration Rules), 2014

a.	**REGISTRATION AND OTHER DETAILS:**	
i)	CIN:	U25200MH1997PLC240268
ii)	Registration date:	January 17, 1997
iii)	Name of the Company:	Sun Pharma Laboratories Limited
iv)	Category/ Sub-category of the Company:	Company Limited By Shares
v)	Address of the Registered Office and Contact details:	Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (East), Mumbai Contact no: 022-43244324
vi)	Whether listed company:	Yes (For Debt Securities Only)
vii)	Name , Address , and Contact details of Registrar and Transfer Agent:	Link Intime (India) Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000

II PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr.No	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares	Applicable Section
1	Sun Pharmaceutical Industries Limited	India	L24230GJ1993PLC019050	Holding	100%	2(46)
2	Universal Enterprises Private Limited	India	N.A.	Subsidiary	100%	2(87)(ii)
3	Sun Pharmaceutical Medicare Limited	India	U36900GJ2017PLC095132	Subsidiary	100%	2(87)(ii)
4	Trumpcard Advisors and Finvest LLP	India	AAH-6275	Associate	40.61%	2(6)
5	Generic Solar Power LLP	India	AAE-7937	Associate	28.76%	2(6)

III SHARE HOLDING PATTERN (Equity Share Breakup as percentage of Total Equity)

i) Category-wise shareholding

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the
		Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
A	**Promoter***									
1)	Indian	0	0	0	0	0	0	0	0	
a)	Individual/ HUF	0	0	0	0.00%	0	0	0	0.00%	
b)	Central Government/ State Government	0	0	0	0.00%	0	0	0	0.00%	
c)	Bodies Corporate	0	50000*	50000*	100.00%	0	50000*	50000*	0.00%	
d)	Financial Institutions/ Bank	0	0	0	0.00%	0	0	0		
e)	Any other	0	0	0	0.00%	0	0	0.00%		
Sub total (A) (1)		0	50000*	50000*	100.00%	0	50000*	50000*	0.00%	NIL
2)	**Foreign**	0	0	0	0.00%	0	0	0	0.00%	
a)	Individuals (NRIs)	0	0	0	0.00%	0	0	0	0.00%	
b)	Other Individuals	0	0	0	0.00%	0	0	0	0.00%	
c)	Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%	

d)	Financial Institutions/ Bank	0	0	0	0.00%	0	0	0	0.00%	
e)	Any other	0	0	0	0.00%	0	0	0	0.00%	
Sub total (A)(2)		0	0	0	0.00%	0	0	0	0.00%	
Total shareholding of Promoter & Promoter group (A)=(A)(1)+(A)(2)		0	50000*	50000*	100.00%	0	50000*	50000*	0.00%	
(B)	**Public Shareholding**	0	0	0	0.00%	0	0	0	0.00%	
1)	**Institutions**	0	0	0	0.00%	0	0	0	0.00%	
a)	Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	
b)	Financial Institutions/ Bank	0	0	0	0.00%	0	0	0	0.00%	
c)	Central Government/ State Government	0	0	0	0.00%	0	0	0	0.00%	
d)	Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	
e)	Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	
f)	FIIs	0	0	0	0.00%	0	0	0	0.00%	
g)	Foreign Venture Capital	0	0	0	0.00%	0	0	0	0.00%	
h)	Qualified Foreign Investors	0	0	0	0.00%	0	0	0	0.00%	
i)	Any other (specify)	0	0	0	0.00%	0	0	0	0.00%	
Sub total (B)(1)		0	0	0	0.00%	0	0	0	0.00%	
2)	**Non-Institutions**	0	0	0	0.00%	0	0	0	0.00%	
a)	Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%	
i)	Indian	0	0	0	0.00%	0	0	0	0.00%	
ii)	Overseas	0	0	0	0.00%	0	0	0	0.00%	
b)	Individuals	0	0	0	0.00%	0	0	0	0.00%	
i)	Individual shareholders holding nominal share capital upto `1 lakh	0	0	0	0.00%	0	0	0	0.00%	

ii)	Individual shareholders holding nominal share capital in excess of ` 1 lakh	0	0	0	0.00%	0	0	0	0.00%	
c)	Others (specify)	0	0	0	0.00%	0	0	0	0.00%	
i)	Non Resident Indians (Repat)	0	0	0	0.00%	0	0	0	0.00%	
ii)	Non Resident Indians (Non-Repat)	0	0	0	0.00%	0	0	0	0.00%	
iii)	Qualified Foreign Investors	0	0	0	0.00%	0	0	0	0.00%	
iv)	Clearing Member r	0	0	0	0.00%	0	0	0	0.00%	
v)	Directors/ Relatives	0	0	0	0.00%	0	0	0	0.00%	
vi)	Trusts	0	0	0	0.00%	0	0	0	0.00%	
vii)	Foreign Portfolio Investor (Corporate)	0	0	0	0.00%	0	0	0	0.00%	
viii)	Overseas Corporate Bodies	0	0	0	0.00%	0	0	0	0.00%	
ix)	Foreign Nationals	0	0	0	0.00%	0	0	0	0.00%	
Sub total (B) (2)		0	0	0	0.00%	0	0	0	0.00%	
Total Public shareholding Public Group (B)= (B)(1)+(B)(2)		0	0	0	0.00%	0	0	0	0.00%	
(C) Shares held by Custodian for GDRs & ADRs		0	0	0	0.00%	0	0	0	0.00%	
GRAND TOTAL (A)+(B)+(C)		0	50000 *	50000 *	100.00%	0	50000 *	50000 *	100.00 %	

* Including 6 shares held by nominees for and on behalf of Sun Pharmaceutical Industries Limited (SPIL) jointly with SPIL

ii) Shareholding of Promoters

Sr N	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Sun Pharmaceutical Industries Limited	50000*	100%	NIL	50000*	100%	NIL	NIL

* Including 6 shares held by nominees for and on behalf of SPIL, jointly with SPIL

iii) Change in Promoters' Shareholding

Sr. No	Name of the Promoter	Shareholding at the beginning of the		Cumulative Shareholding during the	
	Sun Pharmaceutical Industries Limited*	No. of shares	% of total Shares of the	No. of shares	% of total Shares of the Company
1	At the beginning of the year	50000	100.0	N.A	N.A
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment	No Changes			
	At the end of the year	N.A	N.A	50000	100.00

*Six Individual shareholders are holding 1 equity share each jointly with SPIL for and on behalf of SPIL as a nominee of SPIL

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. no	For Each of the top 10 shareholders*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the	No. of shares	% of total Shares of the Company
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus /	No Changes			
	At the end of the year	N.A	N.A	NA	NA

* Four Individual shareholders other than Directors are holding 1 equity share each, jointly with SPIL, and for and on behalf of SPIL as a nominee of SPIL.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	Sudhir V. Valia*	No. of shares	% of total Shares of the	No. of shares	% of total Shares of the Company
	At the beginning of the year	1	0.002	N.A	N.A
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat	No Changes			
	At the end of the year	N.A	N.A	1	0.002
2	Sailesh T. Desai*	No. of shares	% of total Shares of the	No. of shares	% of total Shares of the Company
	At the beginning of the year	1	0.002	N.A	N.A
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus /	No Changes			
	At the end of the year	N.A	N.A	1	0.002

*The aforementioned persons hold 1 equity share jointly with SPIL for and on behalf of SPIL as a nominee of SPIL.

v) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Millions)

	Secured Loans excluding deposits	Unsecured Loans	Deposits [2]	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	10067.0	81.9	10148.9
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due [1]	-	217.0	-	217.0
Total (i+ii+iii)	-	**10284.0**	**81.9**	**10365.9**

Change in Indebtedness during the financial year				
Addition: Principal Amount [3]/[4]	-	38982.4	-	38982.4
Reduction: Principal Amount [3]	-	36067.0	62.5	36129.5
Reduction: Interest accrued but not due [1]	-	1.7	-	1.7
Net Change	-	**2913.7**	**(62.5)**	**2851.2**
Indebtedness at the end of the financial year				
i) Principal Amount	-	12982.4	19.4	13001.8
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due [1]	-	215.3	-	215.3
Total (i+ii+iii)	-	**13197.7**	**19.4**	**13217.1**

Notes:

1) Interest accrued but not due on borrowings. The change during the year has been shown on net basis.
2) Deposits are Trade/ Security Deposits Received. The change during the year has been shown on net basis.
3) Change in the Working Capital facility viz. Cash Credit and Overdraft facilities have been shown on net basis.
4) Ind AS adjustment in the outstanding as on March 31, 2017 of Commercial Papers are shown as reduction in principal amount.

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole-time Directors and/or Manager (As per Form 16, on actual payment basis)

(Amount in Rs.)

Sr. no.	Particulars of Remuneration	Mr. Abhay Gandhi, Whole Time Director & CEO (upto 10th November, 2016)	Mr. Kalyanasundaram Subramanian (w.e.f. 13th February, 2017)	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income- tax Act,1961	45413805.59	5973672.54	51387478.13
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	97220.96	0.00	97220.96
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00

3	Sweat Equity	0.00	0.00	0.00
4	Commission as a % of profit	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
Total (A)		**45511026.55**	**5973672.54**	**51484699.09**

B) Remuneration to other directors:

(The remuneration to Non-Executive Directors consists only of sitting fees)

(Amount in Rs.)

Sr. no.	**Particulars of Remuneration**	**Name of Directors**					**Total Amount**
		Mr. Sailesh Desai	**Mr. Sudhir Valia**	**Ms. Rekh a Sethi**	**Mr. S M. Dadha**	**Mr. Naresh Chand Singhal**	
	Independent Directors						
1	Fee for attending board committee meetings	0	0	3,75,00 0	3,25,000	1,75,000	8,75,000
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
Total (1)		**0**	**0**	**3,75,00**	**3,25,000**	**1,75,000**	**8,75,000**
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	2,00,000	2,50,00 0	0	0	0	4,50,000
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
Total (2)		**2,00,000**	**2,50,00**	**0**	**0**	**0**	**4,50,000**
Total (B)=(1+2)		**2,00,000**	**2,50,00**	**3,75,00**	**3,25,00**	**1,75,000**	**13,25,00**
Overall Ceiling as per the Act		Not applicable since no commission was payable to Director during the year and Rs. 25000 per Director per Meeting of Board or Committee thereof for Sitting fees .					
Total Managerial Remuneration (A+B)							**5,28,09,699.09**

C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(As per Form 16, on actual payment basis)

(Amount in Rs.)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Uday Baldota CFO	**Ms. Rachana Kokal Company Secretary**	**Total**
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		9,34,050	9,34,050
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961		0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		0	0
2	Stock Option	NIL	0	0
3	Sweat Equity		0	0
4	Commission as % of profit		0	0
5	Others, please specify		0	0
Total			**9,34,050**	**9,34,05**

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS			**NIL**		
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Mr. Kalyanasundaram Subramanian
Whole-Time Director & CEO (00179072)
Place: Montreal
Date: 25th May, 2017

Sudhir V. Valia
Director (00005561)
Place: Mumbai
Date: 25th May, 2017

ANNEXURE C

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sun Pharma Laboratories Limited,
Mumbai.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate governance practice by **Sun Pharma Laboratories Limited ("the Company")**. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2017**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017, according to the provisions of:

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

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

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable during the period under review of Overseas Direct Investment; (Regulations relating to Foreign Direct Investment and External Commercial Borrowings not attracted to the Company for the year under review);

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

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not applicable to the Company for the year under review;**

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

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – **Not applicable to the Company for the year under review;**

   d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable to the Company for the year under review;**

   e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – **Not applicable to the Company for the year under review;**

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – **Not applicable to the Company;**

g) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 –**Not applicable to the Company for the year under review**;

h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

i. Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director.

2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees except in case meeting was conducted by issued of shorter notice. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. On verification of minutes, we have not found any dissent/disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

Based on the Compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Respective Plant Heads/Occupiers of R & D Centers of the Company and taken on records by the Board of Directors at their meeting(s). We are of the opinion that the Management has:

1. Adequate systems and processes commensurate with the size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

2. Identified and complied with the following laws applicable to the Company:

    - Drugs and Cosmetics Act, 1940;
    - Drugs (Price Control) Order 2013.

We further report that, during the period under review, the Company has acquired 475,000,000 (Forty Seven Crores Fifty lacs) 5% Optionally Convertible Preference Shares of USD 1/- each in Sun Pharma Holdings, Mauritius from Sun Pharmaceutical Industries Limited (Holding Company).

For C. J. Goswami & Associates,
Practicing Company Secretaries

Chintan J. Goswami
Proprietor
Mem No. - 33697
C. P. No. - 12721
Date: 25th May, 2017.
Place: Mumbai.

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE A

To,
The Members,
Sun Pharma Laboratories Limited,
Mumbai.

Our report of even date is to be read along with this letter.

1. We have followed the audit practices and processes as were appropriate to assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

3. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

4. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For C. J. Goswami & Associates,
Practicing Company Secretaries

Chintan J. Goswami
Proprietor
Mem No. - 33697
C. P. No. - 12721
Date: 25th May, 2017.
Place: Mumbai.

ANNEXURE D

Annual Report on CSR activities for the financial year 2016-17

Details	Particulars
A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken	The CSR policy of the Company encompasses its philosophy towards Corporate Social Responsibility and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large. Your Company has identified health, education & livelihood, environment protection, water management and disaster relief as the areas where assistance is provided on a need-based and case-to-case basis. Your Company persisted with participation in such activities at the local, grass-root level during the year.
Reference to the web-link to the CSR policy and projects or programmes:	www.spll.co
Composition of the CSR Committee:	Mr. Sudhir V. Valia, Mr. Abhay Gandhi (upto 10th November, 2016), Mr. Kalyanasundaram Subramanian (appointed w.e.f. 13th February, 2017) and Ms. Rekha Sethi
Average net profit of the Company for last three financial years:	5387.45
Prescribed CSR Expenditure (two percent of the amount as in item above):	107.75
Details of CSR spend for the financial year:	
a)Total amount spent for the financial year:	Rs. 71.96 Million
b)Amount unspent, if any:	Rs. 35.79 Million

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programs 1. Local Area or other 2. Specify the State and District where projects or programs were undertaken	Amount Outlay (Budget) Project or Programwise	Amount spent on the projects or programs		Cumulative expenditure upto to the reporting period since 2014-15	Amount spent Directly or through implementing agency
					Direct Expenditure on projects or programs	Overhead Expenditure		
1	Support towards setting-up of Cancer Sanatorium Institute and Eye Hospital	Healthcare under Item No.(I)	Wadala, Mumbai	44.55	44.55	-	44.55	Implementing Agency
2	School Development Project	Education under Item No.(II)	Borivali, Mumbai	7.50	7.50	-	7.50	Implementing Agency

3	Individual Household Toilet Construction Project	Healthcare under Item No.(I)	Karnali, Baroda	6.16	6.16	-	6.16	Implementing Agency
4	Support towards treatment of neo-natal and infants for disadvantaged patients	Healthcare under Item No.(I)	All Gujarat and Maharashtra	2.90	2.90	-	2.90	Implementing Agency
5	Support towards Infrastructure Development for Animal Care	Healthcare under Item No.(I)	Delhi	2.00	2.00	-	2.00	Implementing Agency
6	Comprehensive Medical Care for poor and marginalised community	Healthcare under Item No.(I)	Kozhikode (Kerala)	0.50	0.50	-	0.50	Implementing Agency
7	Single Teacher School Project	Education under Item No.(II)	Ellapuram, Thiruvallur District (Tamilnadu)	0.50	0.50	-	0.50	Implementing Agency
8	Mobile Medical Unit Project	Healthcare under Item No.(I)	Ranipool, Sikkim	9.04	2.67	-	8.25	Implementing Agency
9	Education Programme	Education under Item No.(II)	East District, Sikkim	2.34	2.34	-	2.34	CSR Department
10	Community Water Supply Infrastructure Development Project	Drinking Water under Item No. (I)	Chota Singtam, Sikkim	0.71	0.71	-	0.71	CSR Department
11	Health Programme	Healthcare under Item No.(I)	East District, Sikkim	1.59	1.59	-	1.59	CSR Department
12	Promotion of Art and Culture	Art and Culture under Item No. (V)	East District, Sikkim	0.50	0.50	-	0.50	CSR Department
13	Training for Sports Promotion	Training for Sports Promotion under Item No. (VII)	East District, Sikkim	0.02	0.02		0.02	CSR Department
14	Disaster Relief Support	Disaster Relief under Item No. (I)	Dzongu, Sikkim	0.04	0.04	-	0.04	CSR Department
				Grand Total :	**71.96**	-	-	

A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

Mr. Kalyanasundaram Subramanian **Whole-Time Director & CEO (00179072)**	**Sudhir V. Valia** **Director (00005561)**
Place: Montreal **Date: 25th May, 2017**	**Place: Mumbai** **Date: 25th May, 2017**

ANNEXURE E

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

I CONSERVATION OF ENERGY

1. The steps taken or impact on conservation of energy are as follows:

- Use of furnace oil (FO) instead of High Speed Diesel (HSD) in Boiler
- Lightings load reduction by installation of LED lightings
- Improve boiler efficiency by installation Air preheater and recover heat from the exhaust air
- Electricity usages are reduced by confined control on Chillers operations

2. The steps taken by the company for utilising alternate sources of energy

- In Guwahati factories biomass briquettes are used instead of conventional fuel

3. The capital investment on energy conservation equipments:

Captial investment of Rs 242 lac is done on energy conservation equipments.

II TECHNOLOGY ABSORPTION-

1. **Efforts in brief, made towards technology absorption, adaptation and innovation**

The Company continues to invest for technology absorption.

Process robustness has been implemented for wide range of products which has resulted in positive outcomes with respect to cost and increase in process capability.

Novel compact dosage forms having differentiation with regards to improved stability and/or reduced pharmacokinetic variability have been developed for India market.

2. **Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution**

- Market leader for several complex products. Offers complete baskets of products under chronic therapeutic classes. Strong pipeline of products for future introduction in India.

- Not dependent on imported technology, can make high cost products available at competitive prices by using indigenously developed manufacturing processes and formulation technologies.

- Offer technologically advanced differentiated products which are convenient and safe for administration to patients.

- The Company has benefited from reduction in cost

III FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Million)

Particulars	**Year ended 31st March, 2017**	Year ended 31st March, 2016
Earnings	**0**	0.2
Outgo	**2162.3**	1,992.

IV The expenditure incurred on Research and Development: Nil

For and on behalf of the Board of Directors

Mr. Kalyanasundaram Subramanian
Whole-Time Director & CEO (00179072)

Place: Montreal
Date: 25th May, 2017

Sudhir V. Valia
Director (00005561)

Place: Mumbai
Date: 25th May, 2017

INDEPENDENT AUDITOR'S REPORT
To The Members of Sun Pharma Laboratories Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Sun Pharma Laboratories Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

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

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

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

    e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    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:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 38(A)(i) to the standalone Ind AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in Note 51 to the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the Management of the Company, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management of the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Rajesh K. Hiranandani
Partner
(Membership No. 36920)

Place: Mumbai
Date: 25th May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Sun Pharma Laboratories Limited)

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

We have audited the internal financial controls over financial reporting of Sun Pharma Laboratories Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Rajesh K. Hiranandani
Partner
(Membership No. 36920)

Place: Mumbai
Date: 25th May, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Sun Pharma Laboratories Limited)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, in respect of a building where the Company is entitled to the right of occupancy and use and disclosed as fixed assets in the standalone Ind AS financial statements, we report that the agreement / non-convertible preference shares / compulsorily convertible debentures entitling the right of occupancy and use of building, are in the name of the Company as at the balance sheet date. We further report that the following freehold land are not in the name of the Company:

Particulars of the freehold land	**Cost or deemed cost/carrying amount as at 31st March, 2017 (₹ in Million)**	**Remarks**
Freehold land located at Guwahati, Assam admeasuring around 8.49 acres	37.9	The registered sale deeds are in the name of Sun Pharma Sikkim (Partnership Firm) which was then converted into Sun Pharma Drugs Private Limited, erstwhile company that was merged with the Company pursuant to the scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court of Bombay.
Freehold land located at Chennai, Tamil Nadu admeasuring around 6.35 acres	0.3	The registered sale deeds are in the name of Sun Pharmaceutical Industries (Partnership Firm) which was then converted into Sun Pharma Medication Private Limited, erstwhile company that was merged with the Company pursuant to the scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court of Bombay.

In respect of immovable properties of land that has been taken on lease and disclosed as fixed assets in the standalone Ind AS financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except for the following:

Particulars of the leasehold land	Cost or deemed cost as at 31st March, 2017 (₹ in Million)	Carrying amount as at 31st March, 2017 (₹ in Million)	Remarks
Leasehold land located at Gangtok, Sikkim, admeasuring around 6.58 acres	74.6	73.3	The lease agreements are in the name of Sun Pharma Sikkim (Partnership Firm) which was then converted into Sun Pharma Drugs Private Limited, erstwhile Company that was merged with the Company pursuant to the scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court of Bombay.
Leasehold land located at Gangtok, Sikkim, admeasuring around 3.66 acres	35.8	35.1	The lease agreement is in the name of Sun Pharma Drugs Private Limited, erstwhile Company that was merged with the Company pursuant to the scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court of Bombay.

(ii) As explained to us, the inventories, excluding stocks with some of the third parties, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of inventories lying with third parties, these have substantially been confirmed by them.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'), in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable. During the year, the Company has not granted any loans covered under Section 185 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder and hence reporting under clause (v) of paragraph 3 of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities, though there have been slight delays in few cases.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and other material statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax and Excise Duty which have not been deposited as at 31st March, 2017 on account of disputes, are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in Million) #	Amount paid / adjusted under protest (₹ in Million)
Income Tax Act, 1961	Income Tax, Interest and Penalty	Commissioner (Appeals)	2010-11 to 2013-14	8,111.4	5,583.2
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Commissioner (Appeals)	2009-10 to 2013-14 and 2015-16	217.5	6.7
		Tribunal	1993-94 to 2004-05 and 2009-10 to 2014-15	383.7	46.03
		High Court	2011-12 to 2013-14	412.2	12.0

Net of amount paid / adjusted under protest

There are no dues of Sales Tax, Service Tax, Customs Duty and Value added Tax which have not been deposited as on 31st March, 2017 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks and dues to debenture holders. The Company has not taken any loans or borrowings from government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of paragraph 3 of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties identified by the Management of the Company, and the details of related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Rajesh K. Hiranandani
Partner
(Membership No. 36920)

Place: Mumbai
Date: 25th May, 2017

SUN PHARMA LABORATORIES LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2017

₹ in Million

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3	**9,697.0**	6,868.4	5,885.2
(b) Capital work-in-progress		**2,200.8**	2,248.9	2,276.9
(c) Intangible assets	4	**107,033.5**	122,398.9	137,236.6
(d) Investments in the nature of equity in subsidiaries	5	**15.0**	12.5	12.5
(e) Investments in the nature of equity in associates	6	**70,625.6**	37,994.6	-
(f) Financial assets				
(i) Investments	7	**654.8**	644.4	1,772.1
(ii) Loans	8	**3.2**	388.4	400.6
(iii) Other financial assets	9	**145.1**	127.9	166.2
(g) Income tax assets (Net)	10	**4,508.1**	4,099.6	4,386.3
(h) Other non-current assets	11	**929.2**	1,206.8	449.6
Total non-current assets		**195,812.3**	175,990.4	152,586.0
(2) Current assets				
(a) Inventories	12	**4,993.0**	5,441.5	6,285.5
(b) Financial assets				
(i) Investments	13	**1,675.5**	6,236.0	20,546.8
(ii) Trade receivables	14	**6,236.9**	3,824.8	5,370.6
(iii) Cash and cash equivalents	15	**9.6**	10.3	7.6
(iv) Bank balances other than (iii) above	16	**26.2**	32.9	86.5
(v) Loans	17	**9,614.4**	18,355.3	7,519.0
(vi) Other financial assets	18	**32.3**	41.3	23.6
(c) Other current assets	19	**1,598.9**	641.7	1,036.6
Total current assets		**24,186.8**	34,583.8	40,876.2
TOTAL ASSETS		**219,999.1**	210,574.2	193,462.2
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	20	**0.5**	0.5	0.5
(b) Other equity	21	**197,557.3**	192,535.3	186,358.0
Total equity		**197,557.8**	192,535.8	186,358.5
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
Borrowings	22	**5,358.8**	10,328.9	301.5
(b) Provisions	23	**556.7**	247.7	143.0
(c) Deferred tax liabilities (Net)	24	**207.1**	257.0	238.6
Total non-current liabilities		**6,122.6**	10,833.6	683.1
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	25	**2,982.4**	67.0	87.4
(ii) Trade payables	26	**4,858.8**	3,799.5	3,460.0
(iii) Other financial liabilities	27	**5,687.2**	1,211.3	344.6
(b) Other current liabilities	28	**441.3**	336.3	352.2
(c) Provisions	29	**2,349.0**	1,790.7	2,176.4
Total current liabilities		**16,318.7**	7,204.8	6,420.6
Total liabilities		**22,441.3**	18,038.4	7,103.7
TOTAL EQUITY AND LIABILITIES		**219,999.1**	210,574.2	193,462.2

See accompanying notes 1 to 59 to the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors of
Sun Pharma Laboratories Limited

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

SUDHIR V. VALIA
Director
Mumbai

UDAY V. BALDOTA
Chief Financial Officer
Mumbai

RAJESH K. HIRANANDANI
Partner
Mumbai, May 25, 2017

SAILESH T. DESAI
Director
Mumbai

RACHANA N. KOKAL
Company Secretary
Mumbai

KALYANASUNDARAM SUBRAMANIAN
Wholetime Director & CEO
Montreal
Date : May 25, 2017

SUN PHARMA LABORATORIES LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
(I) Revenue from operations	30	**53,228.9**	47,093.0
(II) Other income	31	**2,286.5**	3,775.9
(III) Total income (I + II)		**55,515.4**	50,868.9
(IV) Expenses			
Cost of materials consumed	32	**9,319.3**	8,189.1
Purchases of stock-in-trade		**3,511.2**	5,757.6
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	**782.3**	158.0
Employee benefits expense	34	**4,855.5**	4,398.2
Finance costs	35	**1,476.3**	249.3
Depreciation and amortisation expense	3 & 4	**15,969.8**	15,870.0
Other expenses	36	**9,910.0**	8,369.2
Total expenses (IV)		**45,824.4**	42,991.4
(V) Profit before tax (III-IV)		**9,691.0**	7,877.5
(VI) Tax expense	37		
Current tax		**2,100.0**	1,560.0
Deferred tax		**6.7**	60.6
Total tax expense (VI)		**2,106.7**	1,620.6
(VII) Profit for the year (V - VI)		**7,584.3**	6,256.9
(VIII) Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plan		**(163.6)**	(121.8)
(ii) Income tax effect relating to remeasurements of the defined benefit plan		**56.6**	42.2
Total other comprehensive income (VIII)		**(107.0)**	(79.6)
(IX) Total comprehensive income for the year (VII+VIII)		**7,477.3**	**6,177.3**
Earnings per equity share (face value per equity share - ₹ 10)	45		
Basic and Diluted (in ₹)		**150,724**	125,138

See accompanying notes 1 to 59 to the standalone financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAJESH K. HIRANANDANI
Partner
Mumbai, May 25, 2017

For and on behalf of the Board of Directors of
Sun Pharma Laboratories Limited

UDAY V. BALDOTA
Chief Financial Officer
Mumbai

SUDHIR V. VALIA
Director
Mumbai

RACHANA N. KOKAL
Company Secretary
Mumbai

SAILESH T. DESAI
Director
Mumbai

KALYANASUNDARAM SUBRAMANIAN
Wholetime Director & CEO
Montreal

Date : May 25, 2017

SUN PHARMA LABORATORIES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	Equity share capital	Other equity						Total Equity
		Equity component of compound financial instrument	Reserve and surplus					
			Capital reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings		
Balance as at April 01, 2015	0.5	141.2	185,654.3	# 0.0	-	562.5		186,358.5
Profit for the year	-	-	-	-	-	6,256.9		6,256.9
Other comprehensive income for the year	-	-	-	-	-	* (79.6)		(79.6)
Total comprehensive income for the year	-	-	-	-	-	6,177.3		6,177.3
Transfer to debenture redemption reserve	-	-	-	-	1,041.7	(1,041.7)		-
Balance as at March 31, 2016	0.5	141.2	185,654.3	# 0.0	1,041.7	5,698.1		192,535.8
Profit for the year	-	-	-	-	-	7,584.3		7,584.3
Other comprehensive income for the year	-	-	-	-	-	* (107.0)		(107.0)
Total comprehensive income for the year	-	-	-	-	-	7,477.3		7,477.3
Payment of dividends - Equity Shareholders	-	-	-	-	-	(2,000.0)		(2,000.0)
Payment of dividends - Preference Shareholders	-	-	-	-	-	(40.0)		(40.0)
Corporate dividend tax	-	-	-	-	-	(415.3)		(415.3)
Transfer to debenture redemption reserve	-	-	-	-	1,041.7	(1,041.7)		-
Balance as at March 31, 2017	0.5	141.2	185,654.3	# 0.0	2,083.4	9,678.4		197,557.8

* Represents remeasurements of the defined benefit plan
(#) ₹ 10,000

See accompanying notes 1 to 59 to the standalone financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAJESH K. HIRANANDANI
Partner
Mumbai, May 25, 2017

For and on behalf of the Board of Directors of
Sun Pharma Laboratories Limited

UDAY V. BALDOTA
Chief Financial Officer
Mumbai

SUDHIR V. VALIA
Director
Mumbai

RACHANA N. KOKAL
Company Secretary
Mumbai

SAILESH T. DESAI
Director
Mumbai

KALYANASUNDARAM SUBRAMANIAN
Wholetime Director & CEO
Montreal

Date : May 25, 2017

SUN PHARMA LABORATORIES LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

₹ n Million

	Year ended March 31, 2017	Year ended March 31, 2016
A. Cash flow from operating activities		
Profit before tax	**9,691.0**	7,877.5
Adjustments for:		
Depreciation and amortisation expense	**15,969.8**	15,870.0
Impairment losses on property, plant and equipment recognised in profit or loss	**203.6**	-
Loss on sale of property, plant and equipments, net	**3.3**	1.6
Finance Costs	**1,476.3**	249.3
Interest Income	**(1,911.3)**	(2,921.6)
Gain on sale of financial assets measured at fair value through profit or loss	**(337.9)**	(643.8)
Net Gain arising on financial assets measured at fair value through profit or loss	**(10.9)**	(38.4)
Loss on sale of long term investment in a limited liability partnership	**-**	216.7
Allowance for doubtful debts	**9.0**	132.5
Net unreliased foreign exchange (gain) / loss	**5.1**	(18.1)
Operating profit before working capital changes	**25,098.0**	20,725.7
Movements in working capital:		
Decrease in inventories	**448.5**	844.0
(Increase) /decrease in trade receivables	**(2,421.1)**	1,420.7
(Increase) /decrease in other assets	**(1,062.9)**	35.9
Increase in trade payables	**1,054.6**	350.1
Increase /(decrease) in provisions	**703.7**	(402.8)
Increase in other liabilities	**95.9**	69.7
Cash generated from operations	**23,916.7**	23,043.3
Net income tax paid	**(2,508.5)**	(1,273.3)
Net cash generated by operating activities (A)	**21,408.2**	21,770.0
B. Cash flow from investing activities		
Payment for purchase of property, plant and equipment (including capital work-in-progress, and intangible assets)	**(3,732.2)**	(1,870.4)
Proceeds from disposal of property, plant and equipment and intangible assets	**62.9**	4.4
Receipt of rental on fixed assets given under finance lease	**10.6**	10.0
Purchase of investments		
Subsidiary	**(2.5)**	(217.2)
Associate	**(32,318.4)**	(37,994.1)
Others	**(210,023.0)**	(267,996.0)
Proceeds from sale of investments		
Subsidiary	**-**	0.5
Others	**214,921.9**	284,124.8
Inter corporate deposit given		
Holding company	**(9,200.0)**	(35,480.0)
Subsidiary	**(31.6)**	-
Others	**(5,970.0)**	(4,972.1)
Inter corporate deposits received back		
Holding company	**17,220.0**	27,480.0
Others	**6,721.2**	2,165.7
Investment in bank deposits (having original maturity of more than 3 months)	**1.8**	53.6
Interest received	**1,918.4**	2,948.8
Net cash used in investing activities (B)	**(20,420.9)**	(31,742.0)

SUN PHARMA LABORATORIES LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

₹ n Million

	Year ended March 31, 2017	Year ended March 31, 2016
C. Cash flow from financing activities		
Proceeds from non-current Borrowings	-	10,000.0
Net increase in working capital borrowings	2,954.4	-
Finance costs	(1,420.1)	(4.9)
Dividends paid	(2,040.0)	
Tax on dividend	(415.3)	-
Net cash (used in) / generated by financing activities (C)	(921.0)	9,995.1
Net increase in cash and cash equivalents (A+B+C)	66.3	23.1
Cash and cash equivalents at the beginning of the year	(56.7)	(79.8)
Cash and cash equivalents at the end of the Year	9.6	(56.7)

Notes:

₹ in Million

	As at March 31, 2017	As at March 31, 2016
A Cash and cash equivalents comprises of		
Balances with banks in current account	8.0	9.0
Cash on hand	1.6	1.3
Cash and cash equivalents (Refer note 15)	9.6	10.3
Less:- cash credit facilities included under loans repayable on demand in note 25	-	67.0
Cash and cash equivalents in cash flow statement	9.6	(56.7)

B For non cash transactions refer note 57

See accompanying notes 1 to 59 to the standalone financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAJESH K. HIRANANDANI
Partner

Mumbai, May 25, 2017

For and on behalf of the Board of Directors of
Sun Pharma Laboratories Limited

UDAY V. BALDOTA
Chief Financial Officer
Mumbai

SUDHIR V. VALIA
Director
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SAILESH T. DESAI
Director
Mumbai

KALYANASUNDARAM SUBRAMANIAN
Whole time Director & CEO
Montreal

RACHANA N. KOKAL
Company Secretary
Mumbai

Date : May 25, 2017

NOTE : 3
PROPERTY, PLANT AND EQUIPMENT
Following are the changes in the carrying value of property, plant and equipment

₹ in Million

	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
At cost or deemed cost								
As at April 01, 2015	12.0	134.4	3,481.2	1,989.3	90.8	41.9	135.6	5,885.2
Additions	-	-	691.0	754.3	15.5	12.7	115.5	1,589.0
Disposals	-	-	-	(3.7)	-	(2.2)	(0.9)	(6.8)
As at March 31, 2016	12.0	134.4	4,172.2	2,739.9	106.3	52.4	250.2	7,467.4
Additions	26.1	-	1,657.2	1,886.9	68.9	27.3	36.6	3,703.0
Disposals	-	-	-	(12.3)	(0.6)	(7.1)	(5.3)	(25.3)
As at March 31, 2017	38.1	134.4	5,829.4	4,614.5	174.6	72.6	281.5	11,145.1
Accumulated depreciation and impairment								
As at April 01, 2015	-	-	-	-	-	-	-	-
Depreciation expense	-	1.3	104.5	410.3	13.1	9.4	61.2	599.8
Eliminated on disposals of assets	-	-	-	(0.2)	-	(0.6)	# 0.0	(0.8)
As at March 31, 2016	-	1.3	104.5	410.1	13.1	8.8	61.2	599.0
Depreciation expense	-	1.1	130.6	414.3	16.0	14.2	80.7	656.9
Impairment losses recognised in profit or loss	-	13.2	97.4	93.0	-	-	-	203.6
Eliminated on disposals of assets	-	-	-	(5.4)	(0.3)	(2.9)	(2.8)	(11.4)
As at March 31, 2017	-	15.6	332.5	912.0	28.8	20.1	139.1	1,448.1
Carrying amount								
As at April 01, 2015	12.0	134.4	3,481.2	1,989.3	90.8	41.9	135.6	5,885.2
As at March 31, 2016	12.0	133.1	4,067.7	2,329.8	93.2	43.6	189.0	6,868.4
As at March 31, 2017	38.1	118.8	5,496.9	3,702.5	145.8	52.5	142.4	9,697.0

(#) ₹ 23,472

Footnotes:

(i) Building includes ₹ 1.8 Million (As at March 31, 2016 : ₹ 1.8 Million; As at April 01, 2015 : ₹ 1.8 Million) and ₹ 1,772.0 Million (As at March 31, 2016 : ₹ 1,772.0 Million ; As at April 01, 2015 : ₹ 1,772.0 Million) towards cost of non-convertible preference shares of face value of ₹ 10/- each and compulsorily convertible Debentures of face value of ₹ 10,000/- each respectively in a Company entitling the right of occupancy and use of premises.

(ii) The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

(iii) The impairment losses have been included in the Statement of Profit and Loss in the "Other Expenses" line item. This charge is on account of impairment of certain property, plant and equipment located at the Company's manufacturing facility at Jammu. Management has taken this decision after considering cost and other strategic matters. The recoverable amount of the assets is the fair value less costs to sell which is determined by the management on the basis of its past experience.

(iv) The Company has elected to measure all it's property, plant and equipment at the previous GAAP carrying amount at the date of transition to Ind AS. Refer Note 48.

NOTE : 4
INTANGIBLE ASSETS

Other than internally generated
Following are the changes in the carrying value of intangible assets

₹ in Million

	Product related intangibles
At cost or deemed cost	
As at April 01, 2015	137,236.6
Additions	432.5
As at March 31, 2016	137,669.1
Eliminated on disposals of assets	(63.5)
As at March 31, 2017	137,605.6
Accumulated amortisation and impairment	
As at April 01, 2015	-
Amortisation expense	15,270.2
As at March 31, 2016	15,270.2
Amortisation expense	15,312.9
Eliminated on disposals of assets	(11.0)
As at March 31, 2017	30,572.1
Carrying amount	
As at April 01, 2015	137,236.6
As at March 31, 2016	122,398.9
As at March 31, 2017	107,033.5

Footnotes
(i) The aggregate amortisation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.
(ii) The Company has elected to measure all it's Intangible assets at the previous GAAP carrying amount at the date of transition to Ind AS. Refer Note 48.

NOTE : 5

INVESTMENTS IN THE NATURE OF EQUITY IN SUBSIDIARIES (NON-CURRENT)

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	₹ in Million	Quantity	₹ in Million	Quantity	₹ in Million
Unquoted (At cost less impairment in value of investments, if any)						
Equity instruments						
Universal Enterprises Private Limited						
Shares of ₹ 10 each fully paid	450,000	12.5	450,000	12.5	450,000	12.5
Sun Pharmaceutical Medicare Limited						
Shares of ₹ 10 each fully paid	250,000	2.5	-	-	-	-
		15.0		12.5		12.5
Limited Liability Partnership						
Silverstreet Developers LLP		-		-		2,420.2
Less : Impairment in value of Investment		-		-		(2,420.2)
		-		-		-
		15.0		12.5		12.5
Aggregate amount of investments before impairment		15.0		12.5		2,432.7
Aggregate amount of impairment in value of investments		-		-		(2,420.2)

NOTE : 6

INVESTMENTS IN THE NATURE OF EQUITY IN ASSOCIATES (NON-CURRENT)

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	₹ in Million	Quantity	₹ in Million	Quantity	₹ in Million
Unquoted (At cost)						
Equity instruments						
Sun Pharma Holdings						
Ordinary Shares of USD 1 each fully paid	50,000	3.4	50,000	3.4	-	-
Preference shares						
Sun Pharma Holdings	1,025,000,000	70,309.7	550,000,000	37,991.2	-	-
5% Optionally Convertible Preference Shares of USD 1 each fully paid						
Limited Liability Partnership						
Generic Solar Power LLP						
[₹ 28,760 (As at March 31, 2016 ₹ 28,760)]		0.0		0.0		-
Trumpcard Advisors and Finvest LLP		312.5		-		-
		312.5		0.0		-
		70,625.6		37,994.6		-

NOTE : 7

INVESTMENTS (NON-CURRENT)

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	₹ in Million	Quantity	₹ in Million	Quantity	₹ in Million
Investments in Debentures / Bonds						
Quoted						
Canara Bank-9.55% Canara Bank Perpetual Bonds 05-03-2025	-	-	-	-	500	499.7
Debentures of ₹ 1,000,000 each fully paid						
Housing Development Finance Corporation Ltd - 9.9 NCD 23DC18	250	259.4	250	257.8	250	262.2
Debentures of ₹ 1,000,000 each fully paid						
IDBI Bank Ltd-10.75% IDBI Bank Ltd OMNI (2014-15-Series II) Tier I Perpetual Bonds 17-10-2024	-	-	-	-	500	536.5
Debentures of ₹ 1,000,000 each fully paid						
National Highways Authority of India-8.2 BD 25JN22	61,809	66.7	61,809	65.3	61,809	63.6
Bonds of ₹ 1,000 each fully paid						
Power Finance Corporation Ltd -SR-I 8.2 BD 01FB22	142,393	153.6	142,393	150.4	142,393	146.6
Bonds of ₹ 1,000 each fully paid						
Indian Railway Finance Corporation Ltd -8/8.15 BD 23FB22						
Bonds of ₹ 1,000 each fully paid	163,131	175.1	163,131	170.9	163,131	166.4
		654.8		644.4		1,675.0
Unquoted						
Sun Speciality Chemicals Pvt. Ltd.	-	-	-	-	1,156,500	97.1
0% Optionally Fully Convertible Debentures of ₹ 100 each fully paid						
		654.8		644.4		1,772.1
Aggregate book value (carrying value) of quoted investments		654.8		644.4		1,675.0
Aggregate amount of quoted investments at market value		654.8		644.4		1,675.0
Aggregate amount of unquoted Investment		-		-		97.1

NOTE : 8
LOANS (NON-CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans to employees - unsecured considered good	3.2	9.7	11.3
Receivable on account of assets given under finance lease - secured, considered good (Refer Notes 46 and 54)	-	378.7	389.3
	3.2	388.4	400.6

NOTE : 9
OTHER FINANCIAL ASSETS (NON-CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Bank deposits with more than 12 months maturity	4.9	-	-
Interest accrued on investment	-	-	48.9
Security Deposits	140.2	127.9	117.3
	145.1	127.9	166.2

NOTE : 10
INCOME TAX ASSETS (NET) (NON-CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advance Income Tax	4,508.1	4,099.6	4,386.3
[Net of Provision of ₹ 10,651.8 Million (As at March 31, 2016 : ₹ 8,551.8 Million; As at April 01, 2015 : ₹ 6,992.1 Million)]			
	4,508.1	4,099.6	4,386.3

NOTE : 11
OTHER NON-CURRENT ASSETS

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Capital advances	161.8	531.6	90.2
Balances with government authorities	765.8	673.4	358.1
Others	1.6	1.8	1.3
	929.2	1,206.8	449.6

NOTE : 12
INVENTORIES

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Lower of cost and net realisable value			
Raw materials and packing materials	2,381.0	2,023.0	2,872.2
Goods in transit	140.5	169.7	6.5
	2,521.5	2,192.7	2,878.7
Work-in-progress	558.3	630.6	754.3
Finished goods	1,631.0	1,909.9	2,555.9
Stock-in-trade	277.2	708.3	96.6
Stores, spares and other materials	5.0	-	-
	4,993.0	5,441.5	6,285.5

(i) Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write downs of inventories amounted to ₹ 806.0 Million as at March 31, 2017 (As at March 31, 2016: ₹ 750.0 Million; As at April 01, 2015: ₹ 475.4 Million), The changes in write downs are recognised as an expense in the statement of profit and loss.

(ii) The cost of inventories recognised as an expense during the year is disclosed in Notes 32, 33 and 36 and as "Purchases of stock-in-trade" in the standalone statement of profit and loss.

NOTE : 13

INVESTMENTS (CURRENT)

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	₹ in Million	Quantity	₹ in Million	Quantity	₹ in Million
Investment in Mutual funds						
Unquoted (*)						
Units of Face Value of ₹ 10 each fully paid						
Dsp Merrill Lynch Mutual Fund - DSP BlackRock FMP - Series 161 - 12M-Dir-Growth	-	-	-	-	20,000,000	217.9
Deutsche Mutual Fund-DWS Fixed Maturity Plan Series 63-Regular Plan-Growth	-	-	-	-	15,000,000	163.7
Deutsche Mutual Fund- DWS Interval Fund - Annual Plan Series 1 Direct - Growth	-	-	-	-	18,416,715	213.0
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 73-391 Days Plan G Direct Plan Cumulative	-	-	-	-	25,000,000	275.3
ICICI Prudential Mutual Fund- ICICI Prudential FMP Series 73 - 369 Days Plan T Direct Plan Cumulative	-	-	-	-	20,000,000	218.5
ICICI Prudential Mutual Fund - ICICI Prudential FMP Series 74 - 367 Days Plan D Direct Plan Cumulative	-	-	-	-	40,000,000	434.5
ICICI Prudential Mutual Fund- ICICI Prudential FMP Series 74 - 368 Days Plan J Direct Plan Cumulative	-	-	-	-	20,000,000	216.0
ICICI Prudential Mutual Fund- ICICI Prudential FMP Series 74 - 369 Days Plan K Direct Plan Cumulative	-	-	-	-	15,000,000	161.5
ICICI Prudential Mutual Fund - ICICI Prudential FMP Series 74-370 Days Plan S Direct Plan Cumulative	-	-	-	-	20,000,000	214.2
ICICI Prudential Mutual Fund - ICICI Prudential FMP Series 74 - 369 Days Plan B Direct Plan Cumulative	-	-	-	-	30,000,000	325.9
Kotak Mutual Fund-Kotak Fmp Series 145 Direct-Growth	-	-	-	-	35,000,000	385.5
Kotak Mutual Fund - Kotak FMP Series 155 Direct-Growth	-	-	-	-	25,000,000	273.0
Kotak Mutual Fund - Kotak FMP Series 156 Direct - Growth	-	-	-	-	25,000,000	272.5
Kotak Mutual Fund - Kotak FMP Series 157 Direct - Growth	-	-	-	-	20,000,000	217.7
Kotak Mutual Fund - Kotak FMP Series 158 Direct - Growth	-	-	-	-	20,000,000	217.4
L&T Mutual Fund-L&T FMP Series 10- Plan T - Growth	-	-	-	-	25,000,000	272.9
Reliance Mutual Fund-Reliance Yearly Interval Fund -Series 1-Direct Plan-Growth Plan	-	-	22,980,898	304.3	22,980,898	278.4
Reliance Mutual Fund - Reliance Fixed Horizon Fund - XXVI - Series 9 - Direct Plan Growth Plan	-	-	-	-	50,000,000	545.4

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	₹ in Million	Quantity	₹ in Million	Quantity	₹ in Million
Reliance Mutual Fund - Reliance Yearly Interval Fund - Series 6 -Direct Growth Plan	-	-	-	-	45,929,287	544.9
Reliance Mutual Fund - Reliance Fixed Horizon Fund-XXVI-Series-20-Direct Plan-Growth Plan	-	-	-	-	25,000,000	270.1
Reliance Mutual Fund - Reliance Yearly Interval Fund-Series 8-Direct Plan Growth Plan	-	-	-	-	18,423,501	214.2
Reliance Mutual Fund - Reliance Fixed Horizon Fund-XXVI-Series-31-Direct Plan-Growth Plan	-	-	-	-	30,000,000	320.9
Reliance Mutual Fund - Reliance Yearly Interval Fund - Series 9 - Direct Plan Growth Plan	-	-	-	-	18,395,541	213.3
Reliance Mutual Fund - Reliance Fixed Horizon Fund -XXVI-Series 12-Direct Plan Growth Plan	-	-	-	-	25,000,000	272.6
Religare Invesco Mutual Fund - Religare Invesco FMP-Series 23-Plan O (370 Days) - Direct Plan Growth	-	-	-	-	20,000,000	213.3
Religare Invesco Mutual Fund - Religare Invesco FMP-Series 23-Plan H (370 Days)-Direct Plan Growth	-	-	-	-	10,000,000	109.0
Religare Invesco Mutual Fund - Religare Invesco FMP-Series 23-Plan L (370 Days)-Direct Plan Growth	-	-	-	-	21,000,000	227.8
Religare Invesco Mutual Fund - Religare Invesco FMP-Series 23-Plan N (367 Days)-Direct Plan Growth	-	-	-	-	20,000,000	214.3
		-		304.3		7,503.7
Units of Face Value of ₹ 100 each fully paid						
ICICI Prudential Mutual Fund-ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	-	-	5,015,403	970.5
		-		-		970.5
Units of Face Value of ₹ 1,000 each fully paid						
Axis Mutual Fund-Axis Liquid Fund-Direct Growth	**110,943**	**200.1**	-	-	-	-
Axis Mutual Fund - Axis Liquid Fund- Direct Plan Growth-CFDG	-	-	-	-	483,934	750.6
BNP Paribas Mutual Fund- BNP Paribas Overnight Fund-Direct Plan Growth Option	-	-	214,785	500.5	348,489	750.6
Baroda Pioneer Mutual Fund -Baroda Pioneer Liquid Fund Plan B-Growth	**213,966**	**400.1**	863,209	1,502.5	467,631	750.7
DSP BlackRock Mutual Fund-DSP BlackRock Liquidity Fund-Direct Plan-Growth	**107,519**	**250.1**	-	-	249,960	500.5
Indiabulls Mutual Fund-Indiabulls Liquid Fund-Direct Plan Growth	-	-	508,251	750.7	367,372	500.2
Kotak Mutual Fund-Kotak Floater Short Term - Direct Plan - Growth	**187,362**	**500.1**	334,131	830.8	-	-
Kotak Mutual Fund-Kotak Liquid Scheme Plan A-Direct Plan-Growth	-	-	-	-	88,128	250.3
LIC Mutual Fund-LIC MF Liquid Fund - Direct - Growth	**110,235**	**325.1**	-	-	-	-
Principal Mutual Fund-Principal Cash Management Fund-Direct Plan Growth	-	-	-	-	735,345	1,001.0
Reliance Mutual Fund-Reliance Liquid Fund - Cash Plan - Direct Growth Plan	-	-	716,594	1,752.4	2,239,411	5,048.2
SBI Mutual Fund-SBI Magnum Insta Cash Fund - Direct Plan - Growth	-	-	-	-	323,324	1,000.1
		1,675.5		5,336.9		10,552.2

NOTE : 13
INVESTMENTS (CURRENT)

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	₹ in Million	Quantity	₹ in Million	Quantity	₹ in Million
Debentures						
Unquoted						
Sun Speciality Chemicals Pvt Ltd 0% Optionally Fully Convertible Debentures of ₹ 100 each fully paid	-	-	1,156,500	106.0	-	-
Quoted						
Housing Development Finance Corporation Ltd - 9.7% Secured Redeemable NCD 23DC18 Debentures of ₹ 1,000,000 each fully paid	-	-	-	-	250	252.5
IDFC PP 18/2014 -0% IDFC BS 09-04-2015 Debentures of ₹ 1,000,000 each fully paid	-	-	-	-	750	743.6
		-		-		996.1
Commercial Paper						
Unquoted						
Barclays Investment & Loans (India) Ltd- 193D CP 04SP15 Units of Face Value of ₹ 500,000 each fully paid	-	-	-	-	600	285.7
Barclays Investment & Loans (India) Ltd- 90D CP 05MAY16 Units of Face Value of ₹ 500,000 each fully paid	-	-	1,000	488.8	-	-
JM Financial Products Ltd- 180D CP 17AG15 Units of Face Value of ₹ 500,000 each fully paid	-	-	-	-	500	238.6
		-		488.8		524.3
		1,675.5		6,236.0		20,546.8
* Investments in mutual funds have been fair valued at closing net asset value (NAV).						
Aggregate book value (carrying value) of quoted investments		-		-		996.1
Aggregate market value of quoted investments		-		-		996.1
Aggregate amount of unquoted Investment		1,675.5		6,236.0		19,550.7

NOTE : 14

TRADE RECEIVABLES

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured			
Considered good	6,236.9	3,824.8	5,370.6
Considered doubtful	148.1	139.1	6.6
	6,385.0	3,963.9	5,377.2
Less : Allowance for doubtful debts (expected credit loss allowance)	(148.1)	(139.1)	(6.6)
	6,236.9	3,824.8	5,370.6

NOTE : 15

CASH AND CASH EQUIVALENTS

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with banks	8.0	9.0	6.9
Cash on hand	1.6	1.3	0.7
	9.6	10.3	7.6

NOTE : 16

BANK BALANCES OTHER THAN DISCLOSED IN NOTE 15 ABOVE

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deposit accounts (Refer Note 55)	26.2	32.9	86.5
	26.2	32.9	86.5

NOTE : 17

LOANS (CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured considered good unless stated otherwise			
Loans to employees / other parties (*)			
Secured, considered good	-	400.0	1,150.0
Unsecured considered good	9,582.8	9,924.7	6,359.0
Loans to related parties (Refer Note 49) (*)	31.6	8,020.0	-
Receivable on account of assets given under finance lease - secured, considered good (Refer Notes 46 and 54)	-	10.6	10.0
	9,614.4	18,355.3	7,519.0
(*) includes loans granted for purpose of their business			

NOTE : 18

OTHER FINANCIAL ASSETS (CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Interest accrued	20.6	27.7	14.9
Insurance claim receivables	11.7	13.6	8.7
	32.3	41.3	23.6

NOTE : 19

OTHER CURRENT ASSETS

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Export incentives receivable	-	1.2	-
Prepaid expenses	56.9	8.4	13.4
Advances for supply of goods and services	414.5	263.8	256.7
Balances with government authorities	1,127.5	368.3	766.5
	1,598.9	641.7	1,036.6

NOTE : 20
EQUITY SHARE CAPITAL

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares	**₹ in Million**	Number of shares	₹ in Million	Number of shares	₹ in Million
Authorised						
Equity shares of ₹ 10 each	**50,000,000**	**500.0**	50,000,000	500.0	50,000,000	500.0
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each (Refer Note 43)	**50,000**	**0.5**	50,000	0.5	50,000	0.5
	50,000	**0.5**	50,000	0.5	50,000	0.5

NOTE : 21
OTHER EQUITY

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Refer statement of changes in equity for detailed movement in other equity balance			
A. Equity component of compound financial instrument	**141.2**	141.2	141.2
B. Reserves and Surplus			
Capital reserve	**185,654.3**	185,654.3	185,654.3
Debenture redemption reserve	**2,083.4**	1,041.7	-
Capital redemption reserve (₹ 10,000)	**0.0**	0.0	0.0
Retained earnings	**9,678.4**	5,698.1	562.5
	197,416.1	192,394.1	186,216.8
Total of Other Equity	**197,557.3**	192,535.3	186,358.0

Nature and purpose of reserves

Capital reserve - Capital reserve was created pursuant to the scheme of arrangement in the nature of spin off and transfer of domestic formulation undertaking of the holding company to the Company as approved by the Hon'ble High Court of Gujarat and Hon'ble High Court of Bombay.

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 general reserve on redemption of debentures.

Capital redemption reserve - This reserve was created on redemption of preference shares and is a non distributable reserve.

NOTE : 22
BORROWINGS (NON-CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured			
Redeemable non-convertible debentures (Refer Note 47)	**5,000.0**	10,000.0	-
Liability component of compound financial instrument			
Redeemable Preference shares - from related party (Refer Note 47)	**358.8**	328.9	301.5
	5,358.8	10,328.9	301.5

NOTE : 23

PROVISIONS (NON-CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Employee benefits (Refer Note 45)	556.7	247.7	143.0
	556.7	247.7	143.0

NOTE : 24

DEFERRED TAX LIABILITIES (NET)

₹ in Million

	Balance as at April 01, 2016	Recognised in profit or loss	Recognised in other comprehensive Income	Balance as at March 31, 2017
Deferred tax (liabilities) in relation to:				
Difference between written down value of property plant and equipment and capital work in progress as per books of accounts and income tax Act,1961	(431.7)	(80.1)	-	(511.8)
Total Deferred tax (liabilities)	**(431.7)**	**(80.1)**	**-**	**(511.8)**
Deferred tax assets in relation to:				
Allowance for doubtful debts	48.1	3.1	-	51.2
Expenses claimed for tax purpose on payment basis	126.6	60.3	56.6	243.5
Others	-	10.0	-	10.0
Total Deferred tax Assets	**174.7**	**73.4**	**56.6**	**304.7**
Deferred tax Liabilities (Net)	**(257.0)**	**(6.7)**	**56.6**	**(207.1)**

	Balance as at April 01, 2015	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at March 31, 2016
Deferred tax (liabilities) in relation to: Difference between written down value of property plant and equipment and capital work in progress as per books of accounts and income tax Act,1961	(303.6)	(128.1)	-	(431.7)
Total Deferred tax (liabilities)	**(303.6)**	**(128.1)**	**-**	**(431.7)**
Deferred tax assets in relation to:				
Allowance for doubtful debts	2.2	45.9	-	48.1
Expenses claimed for tax purpose on payment basis	62.8	21.6	42.2	126.6
Total Deferred tax Assets	**65.0**	**67.5**	**42.2**	**174.7**
Deferred Tax Liabilities (Net)	**(238.6)**	**(60.6)**	**42.2**	**(257.0)**

Unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 01, 2015**
Tax losses (Capital in nature)	1,330.0	1,720.0	2,130.0
Unused tax credits (MAT credit entitlement)	2,100.0	-	-
	3,430.0	**1,720.0**	**2,130.0**

The unused tax credit will expire in financial year 2026-27 and unused tax losses will expire from financial year 2021-22 to 2023-24

NOTE : 25

BORROWINGS (CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured			
Loans repayable on demand			
From Banks	-	67.0	87.4
Other loans			
Commercial paper	2,982.4	-	-
	2,982.4	67.0	87.4

NOTE : 26
TRADE PAYABLES

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Dues to micro and small enterprises	**25.4**	24.0	15.6
Others	**4,833.4**	3,775.5	3,444.4
	4,858.8	3,799.5	3,460.0

NOTE : 27
OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current maturities of long-term debt (Refer Note 47)	**5,000.0**	-	-
Interest accrued	**215.3**	217.0	-
Security deposits	**19.4**	81.9	79.4
Payables on purchase of property, plant and equipment	**378.3**	825.4	260.9
Temporary overdrawn bank balance as per books	**74.2**	87.0	4.3
	5,687.2	1,211.3	344.6

NOTE : 28
OTHER CURRENT LIABILITIES

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Statutory remittances	**433.3**	329.3	348.5
Advances from customers	**8.0**	7.0	3.7
	441.3	336.3	352.2

NOTE : 29
PROVISIONS (CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Employee benefits (Refer Note 45)	**209.7**	185.8	108.8
Product returns (Refer Note 50)	**1,751.5**	1,575.4	1,391.1
Others (Refer Note 50)	**387.8**	29.5	676.5
	2,349.0	1,790.7	2,176.4

NOTE : 30
REVENUE FROM OPERATIONS

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products (including excise duty)	52,873.9	46,936.3
Other operating revenues	355.0	156.7
	53,228.9	47,093.0

NOTE : 31
OTHER INCOME

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Interest income on :		
Bank deposits at amortised cost	2.1	3.5
Loans at amortised cost	789.5	1,945.4
Investments in debt instruments at amortised cost	54.4	63.6
Investments in debt instruments at fair value through other comperhensive income	70.5	53.3
Other financial assets carried at amortised cost	717.4	747.5
Others	277.4	108.3
Gain on sale of financial assets measured at fair value through profit or loss	337.9	643.8
Net gain arising on financial assets measured at fair value through profit or loss	10.9	38.4
Insurance claims	20.5	165.0
Lease rental and hire charges	2.6	5.0
Miscellaneous income	3.3	2.1
	2,286.5	3,775.9

NOTE : 32
COST OF MATERIALS CONSUMED

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Raw materials and packing materials		
Inventories at the beginning of the year	2,192.7	2,878.7
Purchases during the year	9,648.1	7,503.1
Inventories at the end of the year	(2,521.5)	(2,192.7)
	9,319.3	8,189.1

NOTE : 33
CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Inventories at the beginning of the year	3,248.8	3,406.8
Inventories at the end of the year	(2,466.5)	(3,248.8)
	782.3	158.0

NOTE : 34
EMPLOYEE BENEFITS EXPENSE

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	4,541.3	4,138.0
Contribution to provident and other funds	240.0	193.6
Staff welfare expenses	74.2	66.6
	4,855.5	4,398.2

NOTE : 35
FINANCE COSTS

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense for financial liabilities carried at amortised cost	1,468.8	245.1
Interest expense others	7.5	4.2
	1,476.3	249.3

NOTE : 36
OTHER EXPENSES

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Consumption of materials, stores and spare parts	**272.8**	193.0
Conversion and other manufacturing charges	**633.8**	653.6
Power and fuel	**300.0**	217.4
Rent	**40.2**	42.2
Rates and taxes	**13.6**	23.6
Insurance	**80.8**	71.5
Selling and distribution	**1,822.0**	1,572.0
Commission on sales	**44.9**	40.7
Repairs and maintenance	**236.7**	235.3
Printing and stationery	**324.4**	289.3
Travelling and conveyance	**1,959.3**	1,787.2
Freight outward and handling charges	**156.3**	156.9
Communication	**45.9**	49.6
Allowance for doubtful debts	**9.0**	132.5
Professional, legal and consultancy	**558.4**	370.8
Excise duty on sales	**1,610.6**	1,175.7
Donation	**4.3**	13.8
Loss on sale of property, plant and equipment, net	**3.3**	1.6
(Decrease) / increase of excise duty on inventories	**42.0**	(23.0)
Net (gain) / loss on foreign currency transactions	**(28.8)**	70.4
Payments to auditors (net of input credit, where applicable)		
For audit	**3.2**	2.8
For other services	**1.6**	1.4
Reimbursement of expenses	**0.1**	0.2
Loss on sale of long term investment in a Limited Liability Partnership		
Loss on sale of investment in a subsidiary	**-**	2,636.9
Less : Impairment in value of investment	**-**	(2,420.2)
Impairment of property, plant and equipment	**203.6**	-
Miscellaneous expenses	**1,572.0**	1,074.0
	9,910.0	8,369.2

NOTE : 37
TAX RECONCILIATION

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Reconciliation of tax expense		
Profit before tax	**9,691.0**	7,877.5
Enacted income tax rate (%) applicable to the Company #	**34.608%**	34.608%
Income tax expenses calculated at enacted income tax rate	**3,353.9**	2,726.2
Effect of expenses that are not deductible	**5,372.6**	5,373.6
Effect of deduction claimed under chapter VI A of Income tax act 1961	**(8,487.2)**	(6,309.4)
Effect of income that is exempt from tax	**(36.9)**	(21.7)
Utilisation of earlier years tax losses on which no deferred tax asset was recongnised	**(135.1)**	(142.4)
Investment allowance u/s 32AC of Income Tax Act 1961	**(60.6)**	(5.7)
Tax Payable under MAT	**2,100.0**	-
Income tax expense recognised in profit or loss	**2,106.7**	**1,620.6**

The tax rate used for reconciliation above is the corporate tax rate of 34.608% at which the Company is liable to pay tax on taxable income under the Income Tax Law.

1. General information

Sun Pharma Laboratories Limited ("the Company") is a public limited company incorporated and domiciled in India and is listed in the Wholesale - Debt segment of BSE Limited. The address of its registered office and principal place of business is disclosed in the introduction to the annual report. The Company is in the business of developing, manufacturing, and marketing a wide range of branded and generic pharmaceutical formulations. The Company has various manufacturing locations of its own, while it also engages in trading and other incidental activities.

2. Significant accounting policies

2.1 Statement of compliance

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

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

These are the Company's first Ind AS financial statements. Refer Note 48 for the details of first-time adoption exemptions availed by the Company.

2.2 Basis of preparation and presentation

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

The financial statements have been prepared on the historical cost basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; and (ii) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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

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

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

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

a. Operating Cycle

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

b. Foreign currency

On initial recognition, transactions in currencies other than the Company'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.

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

c. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

d. Property, plant and equipment

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

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

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

The estimated useful lives are as follows:

Asset Category	No. of Years
Leasehold land	90-196
Factory buildings	10-30
Other buildings	10-60
Plant and equipment	3-25
Vehicles	5-10
Office equipment	2-5
Furniture and fixtures	10

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.

e. Intangible assets

Intangible assets that are acquired by the Company 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.

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 Company's future activity is recognised only when the activity requiring the payment is performed.

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

The estimated useful lives for Product related intangibles, Trademarks, Designs and Other intangibles ranges from 5 to 12 years.
The estimated useful life and the amortisation method for intangible assets with a finite useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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

De-recognition of intangible assets

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

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

f. Investments in the nature of equity in subsidiaries and associates

The Company has elected to recognise its investments in equity instruments in subsidiaries and associates at cost in the separate financial statements in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Impairment policy applicable on such investments is explained in Note 2.2.g.

g. Impairment of non-financial assets

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

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

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

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

h. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

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

Debt instrument at FVTOCI

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

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

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

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

Debt instrument at FVTPL

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

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

Equity instruments

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

If the Company 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 Company 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 Company's balance sheet) when:

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

- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company 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 Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company 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 Company has retained.

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

Impairment of financial assets

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

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

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

c) Lease receivables under Ind AS 17

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

e) Loan commitments which are not measured as at FVTPL

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

The Company 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 Company 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 Company 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 the Company 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 the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the 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 Company's own equity instruments.

Compound financial instruments

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

Initial recognition and measurement

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

Subsequent measurement

All financial liabilities are subsequently measured at 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 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 Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative entered into by the Company that are not designated and effective as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

Financial liabilities subsequently measured at amortised cost

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

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

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.

Reclassification of financial assets

The Company 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 Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company 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 Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Dividend distribution to equity holders of the Company

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the 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.

i. 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.

Company as a lessee

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

Operating lease payments are generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are also recognised as expenses in the periods in which they are incurred.

Company 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 Company'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 Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

j. Inventories

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

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

k. 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 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 Company's cash management.

l. Provisions, contingent liabilities and contingent assets

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

Restructuring

A provision for restructuring is recognised when the Company 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 Company 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 financial statements.

m. Revenue

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

Sale of goods

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

Dividend and interest income

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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

n. Government grants

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

o. Employee benefits

Defined benefit plans

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

Termination benefits

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

Short-term and Other long-term employee benefits

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

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

Share-based payment arrangements

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.

p. 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 financial statements and the corresponding tax bases used in the computation of taxable profit.

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.

q. Earnings per share

The 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 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.

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.

r. Recent Accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendments made by

International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendment is applicable to the Company from April 01, 2017.

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

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

NOTE : 38

A CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
i Contingent liabilities			
Liabilities disputed - appeals filed with respect to :			
Income tax	10,686.8	11,888.9	15,619.0
Excise duty	3,576.0	1,009.2	459.8
Environment cess	23.3	23.3	23.3
Footnote: Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.			
ii Commitments			
Estimated amount of contracts remaining to be executed on capital account [net of advances].	502.7	913.5	1035.5
Letters of credit for imports	4.2	1,065.9	382.6
B Guarantees given by the bankers on behalf of the Company (Refer Note 55)	251.2	92.1	95.6

NOTE : 39

CAPITAL MANAGEMENT

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

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

₹ in Million

(i) Debt equity ratio	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Debt (includes non-current, current borrowings and current maturities of long term debt)	13,341.2	10,395.9	388.9
Less : Cash and cash equivalents	9.6	10.3	7.6
Net debt	13,331.6	10,385.6	381.3
Total equity (excluding capital reserve)	11,903.5	6,881.5	704.2
Net debt to equity ratio	1.1	1.5	0.5

₹ in Million

(ii) Dividend on equity shares paid during the year	For the year March 31, 2017	For the year March 31, 2016
Dividend on equity shares		
Final dividend for the year ended March 31, 2016 of ₹ 40,000.0 (previous year for year ended March 31, 2015 ₹ Nil) per fully paid equity share	2,000.0	-
Dividend distribution tax on above	407.2	-
Dividends not recognised at the end of the reporting period		
The Board of Directors at its meeting held on May 25, 2017 have recommended payment of final dividend of ₹ 40,000 per share of face value of ₹ 10 each for the year ended March 31, 2017. The same amounts to ₹ 2,000.0 Million.		
This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and hence not recognised as liability.		

₹ in Million

(iii) Dividend on Preference shares paid during the year	For the year March 31, 2017	For the year March 31, 2016
Dividend on Preference shares		
Final dividend for the year ended March 31, 2016 of ₹ 10 (previous year for year ended March 31, 2015 ₹ Nil) per fully paid preference share	40.0	-
Dividend distribution tax on above	8.1	-
Dividends not recognised at the end of the reporting period		
The Board of Directors at its meeting held on May 25, 2017 have recommended payment of final dividend of ₹ 10 per preference share of face value of ₹ 100 each for the year ended March 31, 2017. The same amounts to ₹ 40.0 Million.		
This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and hence not recognised as liability.		

NOTE : 40

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, 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 Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company'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 Company grants credit terms in the normal course of business.

Trade receivables

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company 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.

Investments

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

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Financial assets for which loss allowances is measured using the expected credit loss			
Trade receivables			
less than 180 days	6,232.0	3,806.4	5,334.0
180 - 365 days	10.2	56.8	0.9
beyond 365 days	142.8	100.7	42.3
Total	**6,385.0**	3,963.9	5,377.2

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	139.1	6.6
Addition	9.0	132.5
Balance at the end of the year	**148.1**	139.1

Concentration of revenues from one of the customers of the Company were substantial for the year ended March 31, 2017 and for the year ended March 31, 2016. The said customer also represented substantial portion of the trade receivables as at March 31, 2017, as at March 31, 2016 and as at April 01, 2015.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company 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 Company's reputation.

The Company had unutilised working capital lines from banks of ₹ 3,400.0 Million as on March 31, 2017, ₹ 2,333.0 Million as on March 31, 2016 and ₹ 2,312.6 Million as on April 01, 2015

The table below provides details regarding the contractual maturities of significant undiscounted financial liabilities :

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2017
Non derivative				
Preference share capital	-	400.0	-	400.0
Other borrowings*	8,000.0	5,000.0	-	13,000.0
Trade payables	4,858.8	-	-	4,858.8
Other financial liabilities	687.2	-	-	687.2
				-
	13,546.0	5,400.0	-	18,946.0

* Includes ₹ 5,000.0 Million, disclosed as current maturities of long term debt grouped in 'other financial liabilities' in the financial statements.

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2016
Non derivative				
Preference share capital	-	400.0	-	400.0
Other borrowings	67.0	10,000.0	-	10,067.0
Trade payables	3,799.5	-	-	3,799.5
Other financial liabilities	1,211.3	-	-	1,211.3
	5,077.8	10,400.0	-	15,477.8

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	As at April 01, 2015
Non derivative				
Preference share capital	-	-	400.0	400.0
Other borrowing	87.4	-	-	87.4
Trade payables	3,460.0	-	-	3,460.0
Other financial liabilities	344.6	-	-	344.6
	3,892.0	-	400.0	4,292.0

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 Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Foreign exchange risk

The Company's foreign exchange risk arises mainly from its foreign currency revenues and expenses, (primarily in US Dollars, Euros and Israeli New Shekel). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company'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 have changed substantially in recent periods and may continue to fluctuate substantially in the future.

a) The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

Amount in Million

	As at March 31, 2017			
	USD	EUR	ILS	Others *
Financial liabilities				
Trade payables	2.9	0.3	0.3	0.0
* £9,451	2.9	0.3	0.3	0.0

	As at March 31, 2016		
	USD	EUR	Others #
Financial liabilities			
Trade payables	2.3	0.4	0.0
# £43,081	2.3	0.4	0.0

	As at April 01, 2015	
	USD	EUR
Financial assets		
Trade receivables	0.7	-
	0.7	-
Financial liabilities		
Trade payables	5.8	0.1
	5.8	0.1

b) Sensitivity

For the years ended March 31, 2017, March 31, 2016 and April 01, 2015, every 5% strengthening in the exchange rate between the Indian Rupee and the respective major currencies for the above mentioned financial assets/liabilities would decrease Company's profit and equity by approximately ₹ 10.7 Million, ₹ 9.1 Million and ₹ 16.3 Million respectively. A 5% weakening of the Indian Rupee and the respective major currencies would lead to an equal but opposite effect.

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

Interest rate risk

The Company has loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. The Company's treasury department monitors the interest rate movement and manages the interest rate risk by evaluating interest rate swap etc. based on the market / risk perception. As at the balance sheet dates the Company has not entered into any such derivatives contracts

For the years ended March 31, 2017 and March 31, 2016, every 50 basis point decrease in the floating interest rate component applicable to its loans and borrowings would increase the Company's profit by approximately ₹ Nil and ₹ 0.3 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 Company'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 Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2017, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

NOTE :41
CATEGORIES OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY

₹ in Million

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Financial Assets			
At Amortised Cost			
Investments*			
In Debentures/Bonds (Unquoted)	-	106.0	97.1
In Commercial paper	-	488.8	524.3
Trade Receivables	6,236.9	3,824.8	5,370.6
Cash and cash equivalents	9.6	10.3	7.6
Bank balances other than above	26.2	32.9	86.5
Loans to employees / other parties	9,586.0	10,334.4	7,520.3
Loans to related parties	31.6	8,020.0	
Receivable on account of assets given under finance lease	-	389.3	399.3
Other Financial Assets			
Bank deposits with more than 12 months maturity	4.9	-	-
Interest accrued	20.6	27.7	63.8
Security Deposits	140.2	127.9	117.3
Insurance claim receivables	11.7	13.6	8.7
At Fair value through profit or loss (Level 1)			
Investments			
In Mutual funds	1,675.5	5,641.2	19,026.4
At Fair value through other comprehensive income (Level 1)			
Investments			
In Debentures/Bonds (Quoted)	654.8	644.4	2,671.1
Financial Liabilities			
At Amortised Cost			
Borrowings	13,341.2	10,395.9	388.9
Trade Payables	4,858.8	3,799.5	3,460.0
Interest accrued	215.3	217.0	-
Security deposits	19.4	81.9	79.4
Payables on purchase of property, plant and equipment	378.3	825.4	260.9
Temporary overdrawn bank balance as per books	74.2	87.0	4.3

* Excludes Financial Assets measured at Cost

The financial instruments are categorized based on the inputs used to arrive at fair value measurements as described below:
Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

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

NOTE : 42
DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Principal amount remaining unpaid to any supplier as at the end of the accounting year	25.4 (Interest - Nil)	24.0 (Interest - Nil)	15.6 (Interest - Nil)
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
The amount of interest due and payable for the year	-	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-
	25.4	24.0	15.6

NOTE : 43
DISCLOSURES RELATING TO SHARE CAPITAL

A Rights, Preferences and Restrictions attached to shares and repayment terms of capital

The Company has two classes of shares referred to as equity shares having a par value of ₹ 10 per share and 10% Redeemable Non cumulative Preference Shares having par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share. Holder of Preference shares are not entitled to any voting rights but enjoy preferential rights in respect of payments of dividend, if any, and repayment of capital, if any. The Preference Shares shall be redeemed at par, at the end of five years from the date of allotment.

B EQUITY SHARE CAPITAL

	As at March 31, 2017		As at March 31, 2016		As at April 01,2015	
	No. of shares	₹ in Million	No. of shares	₹ in Million	No. of shares	₹ in Million
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period						
Opening balance carried over as closing balance	50,000	0.5	50,000	0.5	50,000	0.5

Details of shareholders holding more than 5% in the Company	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
Name of equity shareholders	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Sun Pharmaceutical Industries Limited (Holding Company)	50,000	100%	50,000	100%	50,000	100%

C PREFERENCE SHARE CAPITAL *

	As at March 31, 2017		As at March 31, 2016		As at April 01,2015	
	No. of shares	₹ in Million	No. of shares	₹ in Million	No. of shares	₹ in Million
Authorised Share capital						
Redeemable Preference shares of ₹100 each	4,000,000	400.0	4,000,000	400.0	4,000,000	400.0
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period						
Opening balance carried over as closing balance	4,000,000	400.0	4,000,000	400.0	4,000,000	400.0

Details of shareholders holding more than 5% in the Company	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
Name of preference shareholders	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Sun Pharmaceutical Industries Limited (Holding Company)	4,000,000	100%	4,000,000	100%	4,000,000	100%

* 10% Non-Convertible, Non-Cummulative Redeemable Preference Shares

40,00,000 (upto March 31, 2016: 40,00,000; upto April 01, 2015: 40,00,000) 10% Non-Convertible, Non-Cummulative Redeemable Preference Shares of ₹ 100 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.

NOTE : 44
EARNINGS PER SHARE

	Year ended March 31, 2017	Year ended March 31, 2016
Numerator used for calculating basic and diluted earnings per share (₹ in Million)		
Profit for the year (₹ in Million)	7,584.3	6,256.9
Less: Preference dividend and dividend tax (₹ in Million)	48.1	-
Profit for the year (₹ in Million) - used as numerator for calculating basic and diluted earnings per share	7,536.2	6,256.9
Weighted average number of shares used in computing basic and diluted earnings per share	50,000	50,000
Nominal value per share (in ₹)	10	10
Basic and Diluted earnings per share (in ₹)	150,724	125,138

NOTE : 45
EMPLOYEE BENEFIT
Defined contribution plan

Contributions are made to Regional Provident Fund (RPF), Family Pension Fund, Employees State Insurance Scheme (ESIC) and other Funds which covers all regular employees. While both the employees and the Company make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund and other Statutory Funds are made only by the Company. 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 ₹ 164.9 Million (Previous year ₹ 142.1 Million)

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Contribution to Provident Fund and Family Pension Fund	**161.3**	138.6
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	**3.5**	3.5
Contribution to Labour Welfare Fund (previous year: ₹ 22,356)	**0.1**	0.0

Defined benefit plan

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 Company reviews the level of funding in gratuity fund. The Company decides its contribution based on the results of its annual review. The Company 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.

These plans typically expose the Company 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 Company rules with corresponding charge to the Statement of Profit and Loss amounting to ₹ 168.3 Million (Previous Year ₹ 151.4 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 Statement of Profit and Loss.

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
	Gratuity (Funded)	Gratuity (Funded)
Expense recognised in the statement of profit and loss (Refer Note 34)		
Current service cost	**63.2**	45.4
Interest cost	**40.8**	28.8
Expected return on plan assets	**(30.5)**	(23.7)
Expense charged to the statement of profit and loss	**73.5**	50.5
Remeasurement of defined benefit obligation recognised in other comprehensive income		
Actuarial loss / (gain) on defined benefit obligation	**164.2**	123.6
Actuarial gain on plan assets	**(0.6)**	(1.8)
Expense/(income) charged to other comprehensive income	**163.6**	121.8
Reconciliation of defined-benefit obligations		
Obligation as at the beginning of the year	**539.4**	363.1
Current service cost	**63.2**	45.4
Interest cost	**40.8**	28.8
Benefits paid	**(28.0)**	(21.5)
Actuarial Gains on obligations		
- due to change in demographic assumptions	**(45.4)**	(5.9)
- due to change in financial assumptions	**224.7**	95.5
- due to experience	**(15.1)**	34.0
Obligation as at the year end	**779.6**	539.4

₹ in Million

	As at March 31, 2017 Gratuity (Funded)	As at March 31, 2016 Gratuity (Funded)
Reconciliation of liability/(asset) recognised in the Balance sheet		
Present value of commitments (as per Actuarial Valuation)	**779.6**	539.4
Fair value of plan assets	**(417.8)**	(403.2)
Net liability recognised in the Balance sheet	**361.8**	136.2
Reconciliation of plan assets		
Plan assets as at the beginning of the year	**403.2**	298.3
Expected return	**30.5**	23.7
Actuarial gain	**0.6**	1.8
Employer's Contribution during the year	**11.5**	100.9
Benefits paid	**(28.0)**	(21.5)
Plan assets as at the year end	**417.8**	403.2

	Year ended March 31, 2017 Gratuity (Funded)	Year ended March 31, 2016 Gratuity (Funded)
Discount rate	**6.81%**	7.56%
Expected return on plan assets	**6.81%**	7.56%
Expected rate of salary increase	**14.50%**	10.00%
Interest rate guarantee	**N.A.**	N.A.
Mortality	**Indian Assured Lives Morality (2006-08)**	Indian Assured Lives Morality (2006-08)
Withdrawal	**13.50%**	8.00%
Retirement Age (years)	**58 to 60**	58 to 60

₹ in Million

	Year ended March 31, 2017 Gratuity (Funded)	Year ended March 31, 2016 Gratuity (Funded)
Sensitivity Analysis:		
Impact on defined benefit obligation		
Delta effect of +1% change in discount rate	**(56.4)**	(44.3)
Delta effect of -1% change in discount rate	**65.2**	51.8
Delta effect of +1% change in salary escalation rate	**60.0**	50.1
Delta effect of -1% change in salary escalation rate	**(53.3)**	(43.7)
Delta effect of +1% change in rate of employee turnover	**(26.7)**	(9.5)
Delta effect of -1% change in rate of employee turnover	**30.6**	10.8
Maturity analysis of projected benefit obligation		
31-Mar-18	**64.9**	38.2
31-Mar-19	**66.1**	38.6
31-Mar-20	**71.5**	49.5
31-Mar-21	**68.8**	58.1
31-Mar-22	**71.9**	61.4
Thereafter	**321.8**	435.1
The major categories of plan assets are as under :		
Insurer managed funds (Funded with LIC, break-up not available)	**417.8**	403.2
The contribution expected to be made by the Company for gratuity, during financial year ending March 31, 2018 is ₹ 110.2 Million (Previous year ₹ 98.9 Million)		

NOTE : 46
LEASES

a The Company 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 5 years under leave and license or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits where applicable in accordance with the agreed terms.

b Lease payments are recognised in the Statement of Profit and Loss under "Rent" in Note 36

c Finance Lease details

The Company has entered into finance lease arrangements for giving certain equipments on lease. Also refer note 57

The future minimum lease payments and reconciliation of gross investment in the lease and present value of minimum lease payments are as under

₹ in Million

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Future minimum lease payments			
not later than one year	-	46.8	47.3
later than one year and not later than five years	-	165.8	171.1
later than five years	-	716.3	757.7
	-	928.9	976.1
Less: Unearned finance income	-	539.6	576.8
Present value of minimum lease payments receivable	-	389.3	399.3
not later than one year	-	10.6	10.0
later than one year and not later than five years	-	28.3	30.9
later than five years	-	350.4	358.4

NOTE : 47
BORROWINGS
Details of long term borrowings and current maturities of long term debt (included under other current financial liabilities)

i ₹ 10,000.0 Million Rated unsecured listed redeemable non-convertible debentures at a coupon rate of 7.94% p.a. were issued by the Company on December 23, 2015. Following are the details:

Particulars	Face Value (₹)	Redemption Amount (₹ in Million)	Date of Redemption
Rated Unsecured Listed Redeemable 5,000 Non-Convertible Debentures Series 2	1,000,000	5,000.0	March 22, 2019
Rated Unsecured Listed Redeemable 5,000 Non-Convertible Debentures Series 1 (included in current maturities of long-term debt as at March 31, 2017)	1,000,000	5,000.0	December 22, 2017

ii 10% Non-convertible, Non-cumulative redeemable preference shares of ₹ 100 each were issued by the company on August 10, 2013 (Redeemable at par on August 09, 2018). Following are the details.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
10% Non-convertible, Non-cumulative redeemable preference shares			
Classified in following two categories			
Equity component of compound financial instrument	141.2	141.2	141.2
Liability Component of Compound Financial Instrument	358.8	328.9	301.5

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

NOTE : 48
FIRST TIME IND AS ADOPTION RECONCILIATION

Explanation to transition to Ind AS

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

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

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

Classification and measurement of financial assets
The Company has assessed conditions for classification of the financial assets on the basis of the facts and circumstances existing on the date of transition to Ind AS.

Determining whether an arrangement contains a lease
The Company has applied Appendix C of Ind AS 17 "Determining whether an Arrangement contains a Lease" to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

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

Fair value measurement of financial assets and financial liabilities at initial recognition
The Company has applied the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. This exemption has been availed by the Company.

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

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

Reconciliation of total equity

₹ in Million

	Footnotes	As at March 31,2016	As at April 01,2015
Total equity as per previous GAAP *		190,356.7	186,107.1
Add / (less) : Adjustments for GAAP differences			
Effect of measuring investments at fair value through profit or loss	a	69.3	574.3
Effect of measuring investment at amortised cost	b	(9.6)	(18.4)
Redeemable preference shares classified as liability under Ind AS	c	(328.9)	(301.5)
Provision for expected credit losses	d	(10.7)	(4.9)
Adjustment for proposed dividend (including corporate dividend tax)	e	2,455.3	-
Impact of tax on Ind As adjustments	g	3.7	1.9
Total equity as per Ind AS		**192,535.8**	186,358.5

* Equity as per previous GAAP includes Share capital and Reserves and Surplus

Reconciliation of total comprehensive income

₹ in Million

	Footnotes	Year ended March 31, 2016
Net profit as per previous GAAP		6,704.9
Add / (Less) : Adjustments for GAAP differences		
Effect of measuring investments at fair value through profit or loss	a	(505.0)
Effect of measuring investment at amortised cost	b	8.8
Remeasurement of defined benefit obligation recognised in OCI under Ind AS	f	121.8
Redeemable preference shares classified as liability under Ind AS	c	(27.4)
Provision for expected credit losses	d	(5.8)
Impact of tax on Ind As adjustments	g	(40.4)
Net profit as per Ind AS		6,256.9
Other comprehensive income		(79.6)
Total comprehensive income as per Ind AS		6,177.3

₹ in Million

	Previous GAAP	Effect of transition to Ind AS (Refer footnote h)	IND AS
Year ended March 31, 2016			
Reconciliation of cash flow			
Net cash flows from operating activities	22,518.5	(748.5)	21,770.0
Net cash flows from investing activities	(32,490.5)	748.5	(31,742.0)
Net cash flows from financing activities	9,974.7	20.4	9,995.1
Net increase in cash and cash equivalents	2.7	20.4	23.1

Notes on reconciliations between previous GAAP and Ind AS

a **Effect of measuring investments at fair value through profit or loss**
Under previous GAAP, non current investments were stated at cost less provision, if any, for other than temporary diminution in value, and current investments were valued at lower of cost and fair value. Under Ind AS certain investments have been classified as fair value through profit and loss (FVTPL) on the date of transition with corresponding adjustment to equity as at that date. Fair value changes are recognised in profit and loss.

b **Effect of measuring investments at amortised cost**
Under previous GAAP, non current investments were stated at cost less provision, if any, for other than temporary diminution in value. Current investments were valued at lower of cost and fair value. Under Ind AS, certain investments have been measured at amortised cost.

c **Redeemable preference shares classified as liability under Ind AS**
Under previous GAAP, redeemable preference shares were considered as share capital. Under Ind AS, the liability component of this compound instrument is classified as borrowings.

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

e **Proposed Dividend (including dividend distribution tax)**
Under Ind AS, dividend is recognised as a liability in the period in which the obligation to pay is established. Under previous GAAP, dividend proposed was recorded as a provision in the period to which it relates.

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

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

h **Effect of transition to Ind AS on Standalone Cash Flow Statement for the year ended March 31, 2016**
Net increase in cash and cash equivalents represents movement in cash credit facilities considered as a component of cash and cash equivalents under Ind AS which as per previous GAAP, was considered as financing activity. Other Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities and has no impact on the net cash flow for the year ended March 31, 2016 as compared with the previous GAAP.

NOTE : 49

a **RELATED PARTY DISCLOSURES AS PER ANNEXURE "A"**

b **LOANS GIVEN TO A SUBSIDIARY AND HOLDING COMPANY**

₹ in Million

	As at March 31, 2017	**Maximum balance March 31, 2017**	As at March 31, 2016	Maximum balance March 31, 2016	As at April 01, 2015
Loans outstanding from a Subsidiary *					
Sun Pharmaceutical Medicare Limited	*31.6	31.6	-	-	-
Loans outstanding from Holding Company*					
Sun Pharmaceutical Industries Limited	-	-	*8020.0	28,459.1	-
	31.6	31.6	8,020.0	28,459.1	-

* Includes interest accrued on loan amounting to ₹ 1.6 Million in March 31, 2017 and ₹ 20.0 Million in March 31, 2016

These loans have been granted to the above entities for the purpose of its business.

NOTE : 50

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

₹ in Million

	As at March 31, 2017			As at March 31, 2016		
	Product and Sales related *	Consultancy Charges	Total	Product and Sales related *	Consultancy Charges	Total
At the commencement of the year	1,604.9	-	1,604.9	1,391.1	676.5	2,067.6
Add: Provision for the year	1,315.4	-	1,315.4	854.6	-	854.6
Less: Utilisation / Settlement	781.0	-	781.0	640.8	676.5	1,317.3
At the end of the year	2,139.3	-	2,139.3	1,604.9	-	1,604.9

(*) includes provision for product returns

NOTE : 51

DETAILS OF SPECIFIED BANK NOTES HELD AND TRANSACTED DURING THE PERIOD NOVEMBER 08, 2016 AND DECEMBER 30, 2016 IS AS UNDER:

All amounts in absolute ₹

	Specified bank notes*	Others	Total
Cash in hand as on November 08, 2016	806,500	1,745,676	2,552,176
Permitted receipts during November 8, 2016 and December 30, 2016	-	1,471,847	1,471,847
Permitted payments during November 8, 2016 and December 30, 2016	(34,000)	(857,698)	(891,698)
Amount deposited in banks	(772,500)	-	(772,500)
Cash in hand as on December 30, 2016	-	2,359,825	2,359,825

* Specified bank notes are currency notes of ₹ 500 and ₹ 1,000 discontinued vide notification S.O. 3407(E) dated November 08, 2016

NOTE : 52

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 71.9 Million (Previous Year ₹ 54.5 Million).

NOTE : 53

The Company holds intangible assets of the Domestic Formulation undertaking transferred to the Company on and with effect from the close of business hours on March 31, 2012, pursuant to the scheme of arrangement approved by the Hon'ble High Courts, in the nature of spin off and transfer of the said undertaking without consideration by Sun Pharmaceutical Industries Limited, the Holding Company are accounted at Fair Value on the basis of an Independent Professional Valuer's report.The carrying value and remaining amortisation period of such assets is ₹ 106,628.9 Million (As at March 31, 2016 ₹ 121,918.0 Million, As at April 01, 2015 ₹ 137,157.8 Million) and 7 years (As at March 31, 2016 8 years, As at April 01, 2015 9 year) respectively.The amortisation of intangible assets over 12 years 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 Company.

NOTE : 54

Receivable on account of assets given under finance lease were receivable from a private company in which a director of the Company is a director.

NOTE : 55

Deposits with banks are pledged with banks against Bank Guarantees.

NOTE : 56

The Board has recommended payment of dividend of ₹ 10 per preference share of ₹ 100 each and ₹ 40,000 per equity share of ₹ 10 each for the year ended March 31, 2017 subject to approval of the members at ensuing Annual General Meeting.

NOTE : 57

Pursuant to the declaration executed by the Company ('Donor') in favour of an entity controlled by Trumpcard Advisors and Finvest LLP (Associate of the Company), 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 Company in the said Associate.

NOTE : 58

SEGMENT REPORTING

The Company has only one reportable segment namely 'Pharmaceuticals'.

NOTE : 59

USE OF ESTIMATES AND JUDGMENTS

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

1 Useful lives of property, plant and equipment and intangible assets

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

2 Assets and obligations relating to employee benefits

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

3 Tax expense [Refer Note 2.2 (p)]

The Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, if any, including amount expected to be paid/recovered for uncertain tax positions. Further, significant judgement is exercised to ascertain amount of deferred tax assets (DTA) that could be recognised based on the probability that future taxable profits will be available against which DTA can be utilized and amount of temporary difference in which DTA can not be recognised on want of probable taxable profits.

4 Provisions [Refer Note 2.2 (l)]

5 Write down in value of inventories (Refer Note 12)

6 Contingencies (Refer Note 38)

ANNEXURE "A"

	Country of Incorporation	Proportion of ownership interest for the year ended		
		March 31, 2017	March 31, 2016	April 01, 2015
Names of related parties where control exists and description of relationships				
1 Holding Company				
Sun Pharmaceutical Industries Limited	India			
2 Wholly Owned Subsidiary				
Universal Enterprises Private Limited	India	100%	100%	100%
Sun Pharmaceutical Medicare Ltd (Refer Footnote 1)	India	100%	-	-
Names of related parties where there are transactions and description of relationships				
3 Fellow Subsidiaries				
Sun Pharmaceutical Industries, Inc	United States of America			
Aditya Acquisition Company Limited	Israel			
Neetnav Real Estate Private Limited	India			
Sun Pharma Medisales Private Limited (Formerly known as Solrex Pharmaceuticals Company)	India			
Sun Pharmaceutical Industries (Europe) B.V.	Netherlands			
4 Controlled Entity				
Silverstreet Developers LLP (Refer Footnote 3)	India	-	100%	100%
5 Associates				
Sun Pharma Holdings (Refer Footnote 5)	Mauritius	0.01%	0.01%	-
Generic Solar Power LLP	India	28.76%	28.76%	-
Trumpcard Advisors and Finvest LLP (Refer Footnote 1 and 2)	India	40.61%	-	-
6 Key Managerial Personnel				
Abhay A. Gandhi (Refer Footnote 4)	Executive Director and Chief Executive Officer			
Sudhir V. Valia	Non-Executive Director			
Sailesh T. Desai	Non-Executive Director			
Kalyansundaram Subramanian (w.e.f. February 13, 2017)	Executive Director and Chief Executive Officer			
S. Mohanchand Dadha	Non-Executive Director			
Rekha Sethi	Non-Executive Director			
Naresh Chand Singhal (w.e.f. February 11, 2016)	Non-Executive Director			
Dilip S. Shanghvi	Key Managerial Personnel of Holding Company			
7 Enterprise under control of Key Managerial Personnel or their relatives				
Makov Associates Ltd.				
Shantilal Shanghvi Foundation				
Dadha Pharma Pvt.Ltd.				
8 Enterprise under significant influence of Key Managerial Personnel or their relatives				
Sun Pharma Advanced Research Company Ltd.				
Alfa Infraprop Pvt. Ltd.				

Footnote
1 Incorporated / Acquired during the year.
2 Investment in Trumpcard Advisors and Finvest LLP with effect from March 31, 2017.
3 During the previous year, the company has sold its investment in Silverstreet Developers LLP with effect from April 01, 2015.
4 Mr. Abhay A. Gandhi was an Executive Director and Chief executive officer upto November 10, 2016.
5 Significant influence through representation on the board of directors of the investee which gives the Company power to participate in the financial and operating policy decisions of the investee.

ANNEXURE "A"

Detail of related party transactions during the year ended March 31, 2017:

₹ in Million

Particulars	March 31, 2017	March 31, 2016
Purchase of goods	**2,322.5**	**2,632.2**
Holding Company	2,322.5	2,632.2
Enterprise under control of key managerial personnel or their relatives (₹ 5,228)	0.0	-
Purchase of property, plant and equipment	**17.5**	**65.8**
Holding Company	13.0	65.8
Fellow Subsidiaries	4.5	-
Sale of goods	**577.6**	**689.5**
Holding Company	563.1	689.5
Fellow Subsidiaries	14.5	-
Enterprise under significant influence of key managerial personnel or their relatives (March 31, 2017 ₹ 33,278, March 31, 2016 ₹ 15,238)	0.0	0.0
Sale of property, plant and equipment	**283.8**	**0.5**
Holding Company	283.8	0.5
Receiving of service	**865.0**	**803.1**
Holding Company	423.0	424.0
Fellow Subsidiaries	35.1	27.5
Enterprise under control of key managerial personnel or their relatives	141.4	115.9
Enterprise under significant influence of key managerial personnel or their relatives	265.5	235.7
Reimbursement of expenses paid	**51.2**	**61.2**
Holding Company	9.1	3.6
Fellow Subsidiaries	42.1	57.6
Rendering of service	**269.2**	**104.8**
Holding Company	269.2	104.8
Reimbursement of expenses received	**2.6**	**-**
Holding Company	2.6	-
Subsidiaries (₹ 45,000)	0.0	-
Finance (including investment and equity contributions)	**315.0**	**217.2**
Subsidiaries	2.5	-
Controlled Entity	-	217.2
Associates (March 31, 2016 ₹ 28,760) (Refer Note 57)	312.5	0.0
Loans / Deposit given	**9,231.6**	**35,480.0**
Holding Company	9,200.0	35,480.0
Subsidiaries	31.6	
Loans received back	**17,220.0**	**27,480.0**
Holding Company	17,220.0	27,480.0
Purchase of Investment in Sun Pharma Holding	**32,318.5**	**37,994.6**
Holding Company	32,318.5	37,994.6
Interest Income	**116.4**	**1,187.9**
Holding Company	116.4	1,187.9
Subsidiaries (₹ 20,121)	0.0	-
Interest Expense	**-**	**1.0**
Fellow Subsidiaries	-	1.0
Receipts on account of assets given under finance lease	**46.8**	**47.3**
Enterprise under significant influence of key managerial personnel or their relatives	46.8	47.3
Rent expense	**20.3**	**24.7**
Holding Company	19.3	23.8
Subsidiaries	0.3	0.3
Fellow Subsidiaries	0.7	0.6
Corporate Social Responsibility expenses	**52.1**	**-**
Enterprise under control of key managerial personnel or their relatives	52.1	-
Remuneration		
Key managerial personnel	**47.8**	**43.4**
Director's Sitting Fees	**1.3**	**0.6**

ANNEXURE "A"

Balance Outstanding as at the end of the year

₹ in Million

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Receivables	**629.0**	**421.5**	**403.7**
Holding Company	253.8	-	-
Subsidiaries	360.7	-	-
Fellow Subsidiaries	14.5	28.3	1.0
Enterprise under significant influence of key managerial personnel or their relatives	-	393.2	402.7
Payable	**909.9**	**315.8**	**440.3**
Holding Company	775.0	253.2	390.6
Subsidiaries	4.9	4.9	4.9
Fellow Subsidiaries	29.9	18.6	7.0
Key managerial personnel	7.5	6.1	6.3
Enterprise under control of key managerial personnel or their relatives	63.0	33.0	-
Enterprise under significant influence of key managerial personnel or their relatives	29.6	-	31.5
Loan Given	**31.6**	**8,020.0**	**-**
Holding Company	-	8,020.0	-
Subsidiaries	31.6	-	-
Enterprise under significant influence of key managerial personnel or their relatives	-	-	-
Deposit Given	**87.6**	**87.6**	**87.6**
Holding Company	0.1	0.1	0.1
Fellow Subsidiaries	87.5	87.5	87.5
Deposit Received	**-**	**66.2**	**66.2**
Enterprise under significant influence of key managerial personnel or their relatives	-	66.2	66.2

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 amounts 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.

Disclosure in respect of material transactions with related parties during the year .

₹ in Million

Particulars	March 31, 2017	March 31, 2016
Purchase of goods		
Sun Pharmaceutical Industries Limited	2,322.5	2,632.2
Purchase of Property, Plant and Equipment		
Sun Pharmaceutical Industries Limited	13.0	65.8
Sun Pharma Medisales Private Limited (Formerly known as Solrex Pharmaceuticals Company)	4.5	-
Sale of goods		
Sun Pharmaceutical Industries Limited	563.1	689.5
Sale of Property, Plant and Equipment		
Sun Pharmaceutical Industries Limited	283.8	0.5
Receiving of Service		
Sun Pharmaceutical Industries Limited	423.0	424.0
Sun Pharma Advanced Research Company Ltd.	265.5	235.7
Reimbursement of Expenses Paid		
Neetnav Real Estate Pvt Ltd.	41.5	55.0
Rendering of Service		
Sun Pharmaceutical Industries Limited	269.2	104.8
Reimbursement of Expenses Received		-
Sun Pharmaceutical Industries Limited	2.6	-
Finance (including investment and equity contributions)		
Trumpcard Advisiors & Finvest LLP (Refer Note 57)	312.5	-
Silverstreet Developers LLP	-	217.2
Loans / Deposit given		
Sun Pharmaceutical Industries Limited	9,200.0	35,480.0
Loans received back		
Sun Pharmaceutical Industries Limited	17,219.9	27,480.0

ANNEXURE "A"

Disclosure in respect of material transactions with related parties during the year .

₹ in Million

Particulars	March 31, 2017	March 31, 2016
Purchase of Investment in Sun Pharma Holding		
Sun Pharmaceutical Industries Limited	32,318.4	37,994.6
Interest Income		
Sun Pharmaceutical Industries Limited	116.4	1,187.9
Interest Expense		
Neetnav Real Estate Private Limited	-	1.0
Receipts on account of assets given under finance lease		
Alfa Infraprop Pvt. Ltd.	46.8	47.3
Rent expense		
Sun Pharmaceutical Industries Limited	19.3	23.8
Corporate Social Responsibility expenses		
Shantilal Shanghvi Foundation	52.1	-
Remuneration		
Key managerial Personnel		
Abhay A. Gandhi	41.1	43.4
Director's Sitting Fees		
Rekha Sethi	0.4	0.2
S. Mohanchand Dadha	0.3	0.2

INDEPENDENT AUDITOR'S REPORT
To The Members of Sun Pharma Laboratories Limited

Report on the Consolidated Ind AS Financial Statements

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

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Opinion

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

Other Matters

(a) We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹ 1,939.8 Million as at 31st March, 2017, total revenues of ₹ Nil and net cash inflows amounting to ₹ 23.4 Million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The above figures are before giving effect to consolidation adjustments.

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

(b) The consolidated Ind AS financial statements include the Group's share of net profit of ₹ 2.5 Million for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements, in respect of 3 associates, whose financial information have not been audited.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

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

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

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

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 37(A)(i) to the consolidated Ind AS financial statements.

ii. The Group did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies, incorporated in India.

iv. The Parent has provided requisite disclosures in Note 50 to the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 in respect of the Parent and subsidiaries incorporated in India. Based on the audit procedures performed, the representations provided to us by the Management of the Parent and based on the consideration of reports of the other auditors, referred to in the Other Matters paragraph above, we report that the disclosures are in accordance with the relevant books of accounts maintained by the Parent and subsidiaries incorporated in India, for the purpose of preparation of the consolidated Ind AS financial statements.

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

Rajesh K. Hiranandani
Partner
(Membership No. 36920)

Place: Mumbai
Date: 25th May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Sun Pharma Laboratories Limited)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of **Sun Pharma Laboratories Limited** (hereinafter referred to as "the Parent") 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 Parent and 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 respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies, which are companies incorporated in India, is based solely on the reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

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

Rajesh K. Hiranandani
Partner
(Membership No. 36920)

Place: Mumbai
Date: 25th May, 2017

SUN PHARMA LABORATORIES LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

₹ Million

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3	**10,328.6**	6,868.4	5,885.2
(b) Capital work-in-progress		**2,736.0**	2,248.9	2,276.9
(c) Goodwill		**1.0**	-	-
(d) Other intangible assets	4	**107,033.5**	122,398.9	137,236.6
(e) Investments in associates	5	**70,628.0**	37,994.6	-
(f) Financial assets				
(i) Investments	6	**654.8**	644.4	1,772.1
(ii) Loans	7	**3.2**	388.4	400.6
(iii) Other financial assets	8	**155.7**	127.9	166.2
(g) Income tax assets (Net)	9	**4,508.1**	4,099.6	4,386.3
(h) Other non-current assets	10	**929.2**	1,207.0	449.8
Total non-current assets		**196,978.1**	175,978.1	152,573.7
(2) Current assets				
(a) Inventories	11	**5,305.2**	5,441.5	6,285.5
(b) Financial assets				
(i) Investments	12	**1,675.5**	6,236.0	20,546.8
(ii) Trade receivables	13	**5,926.7**	3,824.8	5,370.6
(iii) Cash and cash equivalents	14	**33.3**	10.4	8.4
(iv) Bank balances other than (iii) above	15	**26.2**	32.9	86.5
(v) Loans	16	**9,584.9**	18,355.3	7,519.0
(vi) Other financial assets	17	**32.3**	41.3	23.6
(c) Other current assets	18	**1,966.8**	641.7	1,036.8
Total current assets		**24,550.9**	34,583.9	40,877.2
TOTAL ASSETS		**221,529.0**	210,562.0	193,450.9
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	19	**0.5**	0.5	0.5
(b) Other equity	20	**197,539.5**	192,528.4	186,351.7
Total equity		**197,540.0**	192,528.9	186,352.2
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
Borrowings	21	**5,358.8**	10,328.9	301.5
(b) Provisions	22	**556.7**	247.7	143.0
(c) Deferred tax liabilities (Net)	49	**207.1**	257.0	238.6
Total non current liabilities		**6,122.6**	10,833.6	683.1
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	**3,983.9**	67.0	87.4
(ii) Trade payables	24	**5,264.5**	3,794.6	3,455.1
(iii) Other financial liabilities	25	**5,809.5**	1,211.3	344.6
(b) Other current liabilities	26	**445.7**	335.9	352.1
(c) Provisions	27	**2,362.8**	1,790.7	2,176.4
Total current liabilities		**17,866.4**	7,199.5	6,415.6
Total liabilities		**23,989.0**	18,033.1	7,098.7
TOTAL EQUITY AND LIABILITIES		**221,529.0**	210,562.0	193,450.9

See accompanying notes 1 to 62 to the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors of
Sun Pharma Laboratories Limited

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

SUDHIR V. VALIA
Director
Mumbai

UDAY V. BALDOTA
Chief Financial Officer
Mumbai

RAJESH K. HIRANANDANI
Partner
Mumbai, May 25, 2017

SAILESH T. DESAI
Director
Mumbai

RACHANA N. KOKAL
Company Secretary
Mumbai

KALYANASUNDARAM SUBRAMANIAN
Whole time Director & CEO
Montreal

Date : May 25, 2017

SUN PHARMA LABORATORIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Notes	Year ended March 31, 2017	₹ Million Year ended March 31, 2016
(I) Revenue from operations	28	**53,228.9**	47,093.0
(II) Other income	29	**2,286.5**	3,775.9
(III) Total income (I + II)		**55,515.4**	50,868.9
(IV) Expenses			
Cost of materials consumed	30	**9,390.7**	8,189.1
Purchase of stock-in-trade		**3,511.2**	5,757.6
Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	**708.7**	158.0
Employee benefits expense	32	**4,860.7**	4,398.2
Finance costs	33	**1,478.0**	249.3
Depreciation and amortisation expense	3 & 4	**15,971.7**	15,870.0
Other expenses	34	**9,916.7**	8,369.8
Total expenses (IV)		**45,837.7**	42,992.0
(V) Profit before tax (III-IV)		**9,677.7**	7,876.9
(VI) Tax expense	35		
Current tax		**2,100.0**	1,560.0
Deferred tax		**6.7**	60.6
Total tax expense (VI)		**2,106.7**	1,620.6
(VII) Profit for the year before share of profit of associates (V-VI)		**7,571.0**	6,256.3
(VIII) Share of profit of associates (March 31, 2016 ₹ 26,697)		**2.5**	0.0
(IX) Profit for the year attributable to owners of the Company (VII + VIII)		**7,573.5**	6,256.3
(X) Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans		**(163.6)**	(121.8)
(ii) Income tax effect relating to remeasurements of the defined benefit plan		**56.6**	42.2
		(107.0)	**(79.6)**
(B) Items that may be reclassified to profit or loss			
Exchange difference in translating the financial statements of foreign operation (March 31, 2016 ₹ 856)		**(0.1)**	(0.0)
		(0.1)	**(0.0)**
(X) Total other comprehensive income (A + B)		**(107.1)**	**(79.6)**
(XI) Total comprehensive income for the year attributable to owners of the Company (IX + X)		**7,466.4**	6,176.7
Earnings per equity share (face value per equity share - ₹ 10)	43		
Basic and Diluted (in ₹)		**150,508**	125,126

See accompanying notes 1 to 62 to the consolidated financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAJESH K. HIRANANDANI
Partner
Date : May 25, 2017

For and on behalf of the Board of Directors of
Sun Pharma Laboratories Limited

SUDHIR V. VALIA
Director
Mumbai

UDAY V. BALDOTA
Chief Financial Officer
Mumbai

SAILESH T. DESAI
Director
Mumbai

RACHANA N. KOKAL
Company Secretary
Mumbai

KALYANASUNDARAM SUBRAMANIAN
Whole time Director & CEO
Montreal

Date : May 25, 2017

SUN PHARMA LABORATORIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES OF EQUITY FOR THE YEAR ENDED MARCH 31, 2017

₹ Million

	Equity share capital	Other equity					Other comprehensive income (OCI)	Total Equity
		Equity component of compound financial instrument	Reserve and surplus					
			Capital reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Foreign currency translation reserve	
Balance as at April 01, 2015	0.5	141.2	185,654.3	# 0.0	-	556.2	-	186,352.2
Profit for the year	-	-	-	-	-	6,256.3	-	6,256.3
Exchange difference arising on translation of foreign operation (March 31, 2016 ₹ 856)	-	-	-	-	-	-	(0.0)	(0.0)
Other comprehensive income for the year	-	-	-	-	-	* (79.6)	-	(79.6)
Total comprehensive income for the year	-	-	-	-	-	6,176.7	(0.0)	6,176.7
Transfer to debenture redemption reserve	-	-	-	-	1,041.7	(1,041.7)	-	-
Balance as at March 31, 2016	0.5	141.2	185,654.3	# 0.0	1,041.7	5,691.2	(0.0)	192,528.9
Profit for the year	-	-	-	-	-	7,573.5	-	7,573.5
Exchange difference arising on translation of foreign operation	-	-	-	-	-	-	(0.1)	(0.1)
Other comprehensive income for the year	-	-	-	-	-	* (107.0)	-	(107.0)
Total comprehensive income for the year	-	-	-	-	-	7,466.5	(0.1)	7,466.4
Payment of dividends-Equity Shareholders	-	-	-	-	-	(2,000.0)	-	(2,000.0)
Payment of dividends-Preference Shareholders	-	-	-	-	-	(40.0)	-	(40.0)
Corporate dividend tax	-	-	-	-	-	(415.3)	-	(415.3)
Transfer to debenture redemption reserve	-	-	-	-	1,041.7	(1,041.7)	-	-
Balance as at March 31, 2017	0.5	141.2	185,654.3	# 0.0	2,083.4	9,660.7	(0.1)	197,540.0

* Represents remeasurements of the defined benefit plans

(#) ₹ 10,000

See accompanying notes 1 to 62 to the consolidated financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAJESH K. HIRANANDANI
Partner
Mumbai, May 25, 2017

For and on behalf of the Board of Directors of
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Company Secretary
Mumbai

KALYANASUNDARAM SUBRAMANIAN
Whole time Director & CEO
Montreal

Date : May 25, 2017

SUN PHARMA LABORATORIES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

₹ In Million

	Year ended March 31, 2017	Year ended March 31, 2016
A. Cash flow from operating activities		
Profit before tax	9,677.7	7,876.9
Adjustments for:		
Depreciation and amortisation expense	15,971.7	15,870.0
Impairment of property, plant and equipment	203.6	-
Loss on sale of property, plant and equipments, net	3.3	1.6
Finance costs	1,478.0	249.3
Interest income	(1,911.3)	(2,921.6)
Gain on sale of financial assets measured at fair value through profit or loss	(337.9)	(643.8)
Net Gain arising on financial assets measured at fair value through profit or loss	(10.9)	(38.4)
Loss on disposal of a subsidiary	-	217.4
Allowance for doubtful debts	9.0	132.5
Net unrealised foreign exchange (gain) / loss	5.1	(18.1)
Operating profit before working capital changes	25,088.3	20,725.8
Movements in working capital:		
Decrease in inventories	444.0	844.0
(Increase)/decrease in trade receivables	(2,062.9)	1,420.7
(Increase) /decrease in other assets	(1,062.9)	35.9
Increase in trade payables	716.6	350.1
Increase/(decrease) in provisions	703.7	(402.8)
Increase in other liabilities	(18.9)	69.7
Cash generated from operations	23,807.9	23,043.4
Net income tax paid	(2,508.5)	(1,273.3)
Net cash generated by operating activities (A)	21,299.4	21,770.1
B. Cash flow from investing activities		
Payment for purchase of property, plant and equipment (including capital work-in-progress and intangible assets)	(3,623.9)	(1,870.4)
Proceeds from disposal of property, plant and equipment and intangible assets	62.9	4.4
Receipt of rental on fixed assets given under finance lease	10.6	10.0
Net cash outflow on acquisition of subsidiary	(9.7)	-
Purchase of investments		
Subsidiary	-	(217.2)
Associates	(32,318.4)	(37,994.1)
Others	(210,023.0)	(267,996.0)
Proceeds from sale of investments		
Subsidiary	-	0.5
Others	214,921.9	284,124.8
Inter corporate deposit given		
Holding company	(9,200.0)	(35,480.0)
Others	(5,970.0)	(4,972.1)
Inter corporate deposit received back		
Holding company	17,220.0	27,480.0
Others	6,721.2	2,165.7
Investment in bank deposits (having original maturity of more than 3 months)	1.8	53.6
Interest received	1,918.4	2,948.8
Net cash used in investing activities (B)	(20,288.2)	(31,742.0)

SUN PHARMA LABORATORIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

₹ In Million

	Year ended March 31, 2017	Year ended March 31, 2016
C. Cash flow from financing activities		
Proceeds from non-current borrowings	-	10,000.0
Net increase / (decrease) in working capital borrowings	2,955.9	-
Finance costs	(1,422.0)	(4.9)
Dividends paid	(2,040.0)	-
Tax on dividend	(415.3)	-
Net cash (used in) / generated by financing activities (C)	(921.4)	9,995.1
Net increase / (decrease) in cash and cash equivalents (A+B+C)	89.8	23.2
Cash and cash equivalents at the beginning of the year	(56.6)	(79.8)
Cash and cash equivalents at the end of the year	33.3	(56.6)

₹ in Million

	As at March 31, 2017	As at March 31, 2016
A Cash and cash equivalents comprises of		
Balances with banks in current account	31.5	9.1
Cash on hand	1.8	1.3
Cash and cash equivalents (Refer note 14)	33.3	10.4
Less:- cash credit facilities included under loans repayable on demand in note 23	-	67.0
Cash and cash equivalents in cash flow statement	33.3	(56.6)

B For non cash transactions refer note 53

See accompanying notes 1 to 62 to the consolidated financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAJESH K. HIRANANDANI
Partner
Mumbai, May 25, 2017

For and on behalf of the Board of Directors of Sun Pharma Laboratories Limited

UDAY V. BALDOTA
Chief Financial Officer
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SUDHIR V. VALIA
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Company Secretary
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SAILESH T. DESAI
Director
Mumbai

KALYANASUNDARAM SUBRAMANIAN
Whole time Director & CEO
Montreal

Date: May 25, 2017

SUN PHARMA LABORATORIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE : 3
PROPERTY, PLANT AND EQUIPMENT
Following are the changes in the carrying value of property, plant and equipment

₹ in Million

	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
At cost or deemed cost								
As at April 01, 2015	12.0	134.4	3,481.2	1,989.3	90.8	41.9	135.6	5,885.2
Additions	-	-	691.0	754.3	15.5	12.7	115.5	1,589.0
Disposals	-	-	-	(3.7)	-	(2.2)	(0.9)	(6.8)
As at March 31, 2016	12.0	134.4	4,172.2	2,739.9	106.3	52.4	250.2	7,467.4
Taken over on acquisition ^	-	-	-	600.2	27.3	6.0	-	633.5
Additions	26.1	-	1,657.2	1,886.9	68.9	27.3	36.6	3,703.0
Disposals	-	-	-	(12.3)	(0.6)	(7.1)	(5.3)	(25.3)
As at March 31, 2017	38.1	134.4	5,829.4	5,214.7	201.9	78.6	281.5	11,778.6
Accumulated depreciation and impairment								
As at April 01, 2015	-	-	-	-	-	-	-	-
Depreciation expense	-	1.3	104.5	410.3	13.1	9.4	61.2	599.8
Eliminated on disposals of assets	-	-	-	(0.2)	-	(0.6)	# (0.0)	(0.8)
As at March 31, 2016	-	1.3	104.5	410.1	13.1	8.8	61.2	599.0
Depreciation expense	-	1.1	130.6	416.1	16.1	14.2	80.7	658.8
Impairment losses recognised in consolidated statement of profit and loss	-	13.2	97.4	93.0	-	-	-	203.6
Eliminated on disposals of assets	-	-	-	(5.4)	(0.3)	(2.9)	(2.8)	(11.4)
As at March 31, 2017	-	15.6	332.5	913.8	28.9	20.1	139.1	1,450.0
Carrying amount								
As at April 01, 2015	12.0	134.4	3,481.2	1,989.3	90.8	41.9	135.6	5,885.2
As at March 31, 2016	12.0	133.1	4,067.7	2,329.8	93.2	43.6	189.0	6,868.4
As at March 31, 2017	38.1	118.8	5,496.9	4,300.9	173.0	58.5	142.4	10,328.6

(#) ₹ 23,472

Footnotes:

(i) Building includes ₹ 1.8 Million (As at March 31, 2016 : ₹ 1.8 Million; As at April 01 , 2015 : ₹ 1.8 Million) and ₹ 1,772.0 Million (As at March 31, 2016 : ₹ 1,772.0 Million ; As at April 01, 2015 : ₹ 1,772.0 Million) towards cost of non- convertible preference shares of face value of ₹ 10/- each and compulsorily convertible Debentures of face value of ₹ 10,000/- each respectively in a Company entitling the right of occupancy and use of premises.

(ii) The aggregate depreciation has been included under depreciation and amortisation expense in the Consolidated Statement of Profit and Loss.

(iii) The impairment losses have been included in Consolidated Statement of Profit and Loss in the "Other Expenses" line item. This charge is on account of impairment of certain property, plant and equipment located at the Parent Company's manufacturing facility at Jammu. Management has taken this decision after considering cost and other strategic matters. The recoverable amount of the assets is the fair value less costs to sell which is determined by the management on the basis of its past experience.

(iv) The Parent company has elected to measure all it's property, plant and equipment at the previous GAAP carrying amount at the date of transition to Ind AS.

NOTE : 4
INTANGIBLE ASSETS

Other than internally generated
Following are the changes in the carrying value of intangible assets

₹ in Million

	Product related intangibles
At cost or deemed cost	
As at April 01, 2015	137,236.6
Additions	432.5
Disposals	-
As at March 31, 2016	137,669.1
Additions	-
Eliminated on disposals of assets	(63.5)
As at March 31, 2017	137,605.6
Accumulated amortisation and impairment	
As at April 01, 2015	-
Amortisation expense	15,270.2
Eliminated on disposals of assets	-
As at March 31, 2016	15,270.2
Amortisation expense	15,312.9
Eliminated on disposals of assets	(11.0)
As at March 31, 2017	30,572.1
Carrying amount	
As at April 01, 2015	137,236.6
As at March 31, 2016	122,398.9
As at March 31, 2017	107,033.5

Footnotes
(i) The aggregate amortisation has been included under depreciation and amortisation expense in the Consolidated Statement of Profit and Loss.
(ii) The Parent company has elected to measure all it's Intangible assets at the previous GAAP carrying amount at the date of transition to Ind AS.

NOTE : 5
INVESTMENTS IN ASSOCIATES (NON-CURRENT)
(Carrying amount determined using equity method of accounting)

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	₹ in Million	Quantity	₹ in Million	Quantity	₹ in Million
Unquoted, fully paid						
Investment in equity instruments						
Sun Pharma Holdings						
Ordinary Shares of USD 1 each fully paid	50,000	5.8	50,000	3.4	-	-
Preference shares						
Sun Pharma Holdings 5% Optionally Convertible Preference Shares of USD 1 each fully paid	1,025,000,000	70,309.7	550,000,000	37,991.2	-	-
Investment in limited liability partnership						
Generic Solar Power LLP [₹ 28,760 (As at March 31, 2016 ₹ 28,760)]	-	0.0	-	0.0	-	-
Trumpcard Advisors and Finvest LLP	-	312.5	-	-	-	-
		312.5		0.0		-
		70,628.0		37,994.6		-

NOTE : 6
INVESTMENTS (NON-CURRENT)

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	₹ in Million	Quantity	₹ in Million	Quantity	₹ in Million
Investments in Debentures / Bonds						
Quoted						
Canara Bank-9.55% Canara Bank Perpetual Bonds 05-03-2025 Debentures of ₹ 1,000,000 each fully paid	-	-	-	-	500	499.7
Housing Development Finance Corporation Ltd - 9.9 NCD 23DC18 Debentures of ₹ 1,000,000 each fully paid	250	259.4	250	257.8	250	262.2
IDBI Bank Ltd-10.75% IDBI Bank Ltd OMNI (2014-15-Series II) Tier I Perpetual Bonds 17-10-2024 Debentures of ₹ 1,000,000 each fully paid	-	-	-	-	500	536.5
National Highways Authority of India-8.2 BD 25JN22 Bonds of ₹ 1,000 each fully paid	61,809	66.7	61,809	65.3	61,809	63.6
Power Finance Corporation Ltd -SR-I 8.2 BD 01FB22 Bonds of ₹ 1,000 each fully paid	142,393	153.6	142,393	150.4	142,393	146.6
Indian Railway Finance Corporation Ltd -8/8.15 BD 23FB22 Bonds of ₹ 1,000 each fully paid	163,131	175.1	163,131	170.9	163,131	166.4
		654.8		644.4		1,675.0
Unquoted						
Sun Speciality Chemicals Pvt. Ltd. 0% Optionally Fully Convertible Debentures of ₹ 100 each fully paid	-	-	-	-	1,156,500	97.1
		654.8		644.4		1,772.1
Aggregate book value (carrying value) of quoted investments		654.8		644.4		1,675.0
Aggregate amount of quoted investments at market value		654.8		644.4		1,675.0
Aggregate amount of unquoted Investment		-		-		97.1

₹ Million

7 LOANS (NON-CURRENT)	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans to employees			
Unsecured considered good	**3.2**	9.7	11.3
Receivable on account of assets given under finance lease - secured considered good (refer note 45 and 55)	**-**	378.7	389.3
	3.2	388.4	400.6

₹ Million

8 OTHER FINANCIAL ASSSSETS (NON-CURRENT)	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Bank deposits with more than 12 months maturity	**4.9**	-	-
Interest accrued on investment	**-**	-	48.9
Security deposits	**150.8**	127.9	117.3
	155.7	127.9	166.2

₹ Million

9 INCOME TAX ASSETS (NON-CURRENT)	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advance income tax [Net of provision of ₹ 10,651.8 Million (As at March 31, 2016 : ₹ 8,551.8 Million; As at April 01, 2015 : ₹ 6,992.1 Million)]	**4,508.1**	4,099.6	4,386.3
	4,508.1	4,099.6	4,386.3

₹ Million

10 OTHER NON-CURRENT ASSETS	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Capital advances	**161.8**	531.6	90.2
Prepaid expenses	**-**	0.2	0.2
Balances with government authorities	**765.8**	673.4	358.1
Others	**1.6**	1.8	1.3
	929.2	1,207.0	449.8

₹ Million

11 INVENTORIES	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Lower of cost and net realisable value			
Raw materials and packing materials	**2,619.8**	2,023.0	2,872.2
Goods-in-transit	**140.5**	169.7	6.5
	2,760.3	2,192.7	2,878.7
Work-in-progress	**576.0**	630.6	754.3
Finished goods	**1,686.7**	1,909.9	2,555.9
Stock-in-trade	**277.2**	708.3	96.6
Stores, spares and other materials	**5.0**	-	-
	5,305.2	5,441.5	6,285.5

(i) Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write downs of inventories amounted to ₹ 806.0 Million as at March 31, 2017 (As at March 31, 2016: ₹ 750.0 Million; As at April 01, 2015: ₹ 475.4 Million), The changes in write downs are recognised as an expense in the consolidated statement of profit and loss.
(ii) The cost of inventories recognised as an expense is disclosed in Note 30, 31, 34 and as "Purchase of stock-in-trade" in the consolidated statement of profit and loss.

NOTE : 12
INVESTMENTS (CURRENT)

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	₹ in Million	Quantity	₹ in Million	Quantity	₹ in Million
Investment in Mutual funds						
Unquoted (*)						
Units of Face Value of ₹ 10 each fully paid						
Dsp Merrill Lynch Mutual Fund - DSP BlackRock FMP -Series 161 - 12M-Dir-Growth	-	-	-	-	20,000,000	217.9
Deutsche Mutual Fund-DWS Fixed Maturity Plan Series 63-Regular Plan-Growth	-	-	-	-	15,000,000	163.7
Deutsche Mutual Fund- DWS Interval Fund - Annual Plan Series 1 Direct - Growth	-	-	-	-	18,416,715	213.0
ICICI Prudential Mutual Fund-ICICI Prudential FMP Series 73-391 Days Plan G Direct Plan Cumulative	-	-	-	-	25,000,000	275.3
ICICI Prudential Mutual Fund- ICICI Prudential FMP Series 73 369 Days Plan T Direct Plan Cumulative	-	-	-	-	20,000,000	218.5
ICICI Prudential Mutual Fund - ICICI Prudential FMP Series 74 - 367 Days Plan D Direct Plan Cumulative	-	-	-	-	40,000,000	434.5
ICICI Prudential Mutual Fund- ICICI Prudential FMP Series 74 368 Days Plan J Direct Plan Cumulative	-	-	-	-	20,000,000	216.0
ICICI Prudential Mutual Fund- ICICI Prudential FMP Series 74 369 Days Plan K Direct Plan Cumulative	-	-	-	-	15,000,000	161.5
ICICI Prudential Mutual Fund - ICICI Prudential FMP Series 74 370 Days Plan S Direct Plan Cumulative	-	-	-	-	20,000,000	214.2
ICICI Prudential Mutual Fund - ICICI Prudential FMP Series 74 - 369 Days Plan B Direct Plan Cumulative	-	-	-	-	30,000,000	325.9
Kotak Mutual Fund-Kotak Fmp Series 145 Direct-Growth	-	-	-	-	35,000,000	385.5
Kotak Mutual Fund - Kotak FMP Series 155 Direct-Growth	-	-	-	-	25,000,000	273.0
Kotak Mutual Fund - Kotak FMP Series 156 Direct - Growth	-	-	-	-	25,000,000	272.5
Kotak Mutual Fund - Kotak FMP Series 157 Direct - Growth	-	-	-	-	20,000,000	217.7
Kotak Mutual Fund - Kotak FMP Series 158 Direct - Growth	-	-	-	-	20,000,000	217.4
L&T Mutual Fund-L&T FMP Series 10- Plan T - Growth	-	-	-	-	25,000,000	272.9
Reliance Mutual Fund-Reliance Yearly Interval Fund -Series 1-Direct Plan-Growth Plan	-	-	22,980,898	304.3	22,980,898	278.4
Reliance Mutual Fund - Reliance Fixed Horizon Fund - XXVI - Series 9 - Direct Plan Growth Plan	-	-	-	-	50,000,000	545.4

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	**₹ in Million**	Quantity	₹ in Million	Quantity	₹ in Million
Reliance Mutual Fund - Reliance Yearly Interval Fund - Series 6 -Direct Growth Plan	-	-	-	-	45,929,287	544.9
Reliance Mutual Fund - Reliance Fixed Horizon Fund-XXVI-Series-20-Direct Plan-Growth Plan	-	-	-	-	25,000,000	270.1
Reliance Mutual Fund - Reliance Yearly Interval Fund-Series 8 Direct Plan Growth Plan	-	-	-	-	18,423,501	214.2
Reliance Mutual Fund - Reliance Fixed Horizon Fund-XXVI-Series-31-Direct Plan-Growth Plan	-	-	-	-	30,000,000	320.9
Reliance Mutual Fund - Reliance Yearly Interval Fund - Series 9 - Direct Plan Growth Plan	-	-	-	-	18,395,541	213.3
Reliance Mutual Fund - Reliance Fixed Horizon Fund -XXVI-Series 12-Direct Plan Growth Plan	-	-	-	-	25,000,000	272.6
Religare Invesco Mutual Fund - Religare Invesco FMP-Series 23-Plan O (370 Days) - Direct Plan Growth	-	-	-	-	20,000,000	213.3
Religare Invesco Mutual Fund - Religare Invesco FMP-Series 23-Plan H (370 Days)-Direct Plan Growth	-	-	-	-	10,000,000	109.0
Religare Invesco Mutual Fund - Religare Invesco FMP-Series 23-Plan L (370 Days)-Direct Plan Growth	-	-	-	-	21,000,000	227.8
Religare Invesco Mutual Fund - Religare Invesco FMP-Series 23-Plan N (367 Days)-Direct Plan Growth	-	-	-	-	20,000,000	214.3
		-		304.3		7,503.7
Units of Face Value of ₹ 100 each fully paid						
ICICI Prudential Mutual Fund-ICICI Prudential Money Market Fund - Direct Plan - Growth	-	-	-	-	5,015,403	970.5
		-		-		970.5
Units of Face Value of ₹ 1,000 each fully paid						
Axis Mutual Fund-Axis Liquid Fund-Direct Growth	**110,943**	**200.1**	-	-	-	-
Axis Mutual Fund - Axis Liquid Fund- Direct Plan Growth-CFDG	-	-	-	-	483,934	750.6
BNP Paribas Mutual Fund- BNP Paribas Overnight Fund-Direct Plan Growth Option	-	-	214,785	500.5	348,489	750.6
Baroda Pioneer Mutual Fund -Baroda Pioneer Liquid Fund Plan B-Growth	**213,966**	**400.1**	863,209	1,502.5	467,631	750.7
DSP BlackRock Mutual Fund-DSP BlackRock Liquidity Fund-Direct Plan-Growth	**107,519**	**250.1**	-	-	249,960	500.5
Indiabulls Mutual Fund-Indiabulls Liquid Fund-Direct Plan Growth	-	-	508,251	750.7	367,372	500.2
Kotak Mutual Fund-Kotak Floater Short Term - Direct Plan - Growth	**187,362**	**500.1**	334,131	830.8	-	-
Kotak Mutual Fund-Kotak Liquid Scheme Plan A-Direct Plan-Growth	-	-	-	-	88,128	250.3
LIC Mutual Fund-LIC MF Liquid Fund - Direct - Growth	**110,235**	**325.1**	-	-	-	-
Principal Mutual Fund-Principal Cash Management Fund-Direct Plan Growth	-	-	-	-	735,345	1,001.0
Reliance Mutual Fund-Reliance Liquid Fund - Cash Plan - Direct Growth Plan	-	-	716,594	1,752.4	2,239,411	5,048.2
SBI Mutual Fund-SBI Magnum Insta Cash Fund - Direct Plan - Growth	-	-	-	-	323,324	1,000.1
		1,675.5		5,336.9		10,552.2

NOTE : 12

INVESTMENTS (CURRENT)

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	**₹ in Million**	Quantity	₹ in Million	Quantity	₹ in Million
Investment in Debentures						
Unquoted						
Sun Speciality Chemicals Pvt Ltd 0% Optionally Fully Convertible Debentures of ₹ 100 each fully paid	-	-	1,156,500	106.0	-	-
Quoted						
Housing Development Finance Corporation Ltd - 9.7% Secured Redeemable NCD 23DC18 Debentures of ₹ 1,000,000 each fully paid	-	-	-	-	250	252.5
IDFC PP 18/2014 -0% IDFC BS 09-04-2015 Debentures of ₹ 1,000,000 each fully paid	-	-	-	-	750	743.6
		-		-		996.1
Commercial Paper						
Unquoted						
Barclays Investment & Loans (India) Ltd- 193D CP 04SP15 Units of Face Value of ₹ 500,000 each fully paid	-	-	-	-	600	285.7
Barclays Investment & Loans (India) Ltd- 90D CP 05MAY16 Units of Face Value of ₹ 500,000 each fully paid	-	-	1,000	488.8	-	-
JM Financial Products Ltd- 180D CP 17AG15 Units of Face Value of ₹ 500,000 each fully paid	-	-	-	-	500	238.6
		-		488.8		524.3
		1,675.5		6,236.0		20,546.8
* Investments in mutual funds have been fair valued at closing net asset value (NAV).						
Aggregate book value (carrying value) of quoted investments		-		-		996.1
Aggregate market value of quoted investments		-		-		996.1
Aggregate amount of unquoted Investment		1,675.5		6,236.0		19,550.7

₹ Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
13 TRADE RECEIVABLES			
Unsecured			
Considered good	**5,926.7**	3,824.8	5,370.6
Considered doubtful	**148.1**	139.1	6.6
	6,074.8	3,963.9	5,377.2
Less : Allowance for doubtful debts (expected credit loss allowance)	**(148.1)**	(139.1)	(6.6)
	5,926.7	3,824.8	5,370.6

₹ Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
14 CASH AND CASH EQUIVALENTS			
Balances with banks	**31.5**	9.1	7.7
Cash on hand	**1.8**	1.3	0.7
	33.3	10.4	8.4

₹ Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
15 BANK BALANCES OTHER THAN DISCLOSED IN NOTE 14 ABOVE			
Deposit accounts	**26.2**	32.9	86.5
	26.2	32.9	86.5

₹ Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
16 LOANS (CURRENT)			
Loans to employees / other parties (*)			
Secured, considered good	-	400.0	1,150.0
Unsecured considered good	**9,584.9**	9,924.7	6,359.0
Loans to related parties - unsecured, considered good (Refer Note 47)(*)	-	8,020.0	-
Receivable on account of assets given under finance lease - secured, considered good (Refer Notes 45 and 55)	-	10.6	10.0
(*) includes loans granted for purpose of their business	**9,584.9**	18,355.3	7,519.0

₹ Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
17 OTHER FINANCIAL ASSETS (CURRENT)			
Interest accrued	**20.6**	27.7	14.9
Insurance claim receivables	**11.7**	13.6	8.7
	32.3	41.3	23.6

₹ Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
18 OTHER CURRENT ASSETS			
Export incentive receivable	-	1.2	-
Prepaid expenses	**65.2**	8.4	13.4
Advances for supply of goods and services	**450.9**	263.8	256.7
Balances with government authorities	**1,450.7**	368.3	766.7
	1,966.8	641.7	1,036.8

₹ Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
19 EQUITY SHARE CAPITAL			
Authorised			
Equity shares of ₹ 10 each	**500.0**	500.0	500.0
Issued, Subscribed and Fully Paid Up			
Equity shares of ₹ 10 each (refer note 42)	**0.5**	0.5	0.5
	0.5	0.5	0.5

₹ Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
20 Other Equity			
Refer statement of changes in equity for detailed movement in other equity balance			
A. Equity component of compound financial instrument	**141.2**	141.2	141.2
B. Reserves and surplus			
Capital reserve	**185,654.3**	185,654.3	185,654.3
Debenture redemption reserve	**2,083.4**	1,041.7	-
Capital redemption reserve (₹ 10,000)	**0.0**	0.0	0.0
Retained earnings	**9,660.7**	5,691.2	556.2
	197,398.4	192,387.2	186,210.5
C. Items of other comprehensive income(OCI)			
Foreign currency translation reserve	**(0.1)**	(0.0)	-
	197,539.5	192,528.4	186,351.7

Nature and purpose of reserves

Capital reserve - Capital reserve was created pursuant to the scheme of arrangement in the nature of spin off and transfer of domestic formulation undertaking of the holding company to the Company as approved by the Hon'ble High Court of Gujarat and Hon'ble High Court of Bombay.

Debenture redemption reserve - The Group is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

Capital redemption reserve - This reserve was created on redemption of preference shares and is a non distributable reserve.

Foreign currency translation reserve - Exchange differences relating to the translation of the result 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.

₹ Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
21 BORROWINGS (NON-CURRENT)			
Unsecured			
Redeemable non-convertible debentures (refer note 46)	**5,000.0**	10,000.0	-
Liability component of compound financial instrument			
Redeemable preference shares - from related party (refer note 46)	**358.8**	328.9	301.5
	5,358.8	10,328.9	301.5

₹ Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
22 PROVISIONS (NON-CURRENT)			
Employee benefits (refer note 44)	**556.7**	247.7	143.0
	556.7	247.7	143.0

₹ Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
23 BORROWINGS (CURRENT)			
Loans repayable on demand			
From banks			
Unsecured	**-**	67.0	87.4
From others			
Unsecured	**1,001.5**	-	-
Other loans			
Commercial paper			
Unsecured	**2,982.4**	-	-
	3,983.9	67.0	87.4

₹ Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
24 TRADE PAYABLES			
Dues to micro and small enterprises	**28.0**	24.0	15.6
Others	**5,236.5**	3,770.6	3,439.5
	5,264.5	3,794.6	3,455.1

₹ Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
25 OTHER FINANCIAL LIABILITIES (CURRENT)			
Current maturities of long-term debt (refer note 46)	**5,000.0**	-	-
Interest accrued	**215.3**	217.0	-
Security deposits	**20.3**	81.9	79.4
Payable on purchase of property, plant and equipment	**499.7**	825.4	260.9
Temporary overdrawn bank balance as per books	**74.2**	87.0	4.3
	5,809.5	1,211.3	344.6

₹ Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
26 OTHER CURRENT LIABILITIES			
Statutory remittances	**438.5**	329.3	348.4
Advances from customers	**7.2**	6.6	3.7
	445.7	335.9	352.1

₹ Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
27 PROVISIONS (CURRENT)			
Employee benefits (refer note 44)	**223.5**	185.8	108.8
Product returns (refer note 48)	**1,751.5**	1,575.4	1,391.1
Others (refer note 48)	**387.8**	29.5	676.5
	2,362.8	1,790.7	2,176.4

₹ Million

		Year ended March 31, 2017	Year ended March 31, 2016
28	**REVENUE FROM OPERATIONS**		
	Sale of products (including excise duty)	**52,873.9**	46,936.3
	Other operating revenues	**355.0**	156.7
		53,228.9	47,093.0

₹ Million

		Year ended March 31, 2017	Year ended March 31, 2016
29	**OTHER INCOME**		
	Interest income on:		
	Bank deposits at amortised cost	**2.1**	3.5
	Loans at amortised cost	**789.5**	1,945.4
	Investments in debt instruments at amortised cost	**54.4**	63.6
	Investments in debt instruments at fair value through other comprehensive income	**70.5**	53.3
	Other financial assets carried at amortised cost	**717.4**	747.5
	Others	**277.4**	108.3
	Gain on sale of financial assets measured at fair value through profit or loss	**337.9**	643.8
	Net Gain arising on financial assets measured at fair value through profit or loss	**10.9**	38.4
	Insurance claims	**20.5**	165.0
	Lease rental and hire charges	**2.6**	5.0
	Miscellaneous income	**3.3**	2.1
		2,286.5	3,775.9

₹ Million

		Year ended March 31, 2017	Year ended March 31, 2016
30	**COST OF MATERIALS CONSUMED**		
	Raw Materials and Packing Materials		
	Inventories at the beginning of the year	**2,192.7**	2,878.7
	Inventories acquired on acquisition (Refer Note 60)	**307.7**	-
	Purchases during the year	**9,650.6**	7,503.1
	Inventories at the end of the year	**(2,760.3)**	(2,192.7)
		9,390.7	8,189.1

₹ Million

		Year ended March 31, 2017	Year ended March 31, 2016
31	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**		
	Inventories at the beginning of the year	**3,248.8**	3,406.8
	Inventories at the end of the year	**(2,540.1)**	(3,248.8)
		708.7	158.0

₹ Million

		Year ended March 31, 2017	Year ended March 31, 2016
32	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and wages	**4,544.7**	4,138.0
	Contribution to provident and other funds	**240.1**	193.6
	Staff welfare expense	**75.9**	66.6
		4,860.7	4,398.2

₹ Million

		Year ended March 31, 2017	Year ended March 31, 2016
33	**FINANCE COSTS**		
	Interest expense for financial liabilities carried at amortised cost	**1,470.5**	245.1
	Interest expense others	**7.5**	4.2
		1,478.0	249.3

	Year ended March 31, 2017	₹ Million Year ended March 31, 2016
34 OTHER EXPENSES		
Consumption of material, stores and spare parts	**273.6**	193.0
Conversion and other manufacturing charges	**634.5**	653.6
Power and fuel	**300.3**	217.4
Rent	**40.4**	42.2
Rates and taxes	**13.6**	23.6
Insurance	**80.8**	71.5
Selling and distribution	**1,822.0**	1,572.0
Commission on sales	**44.9**	40.7
Repairs and maintenance	**237.3**	235.3
Printing and stationery	**324.5**	289.3
Travelling and conveyance	**1,959.4**	1,787.2
Freight outward and handling charges	**156.3**	156.9
Communication	**45.9**	49.6
Allowance for doubtful debts	**9.0**	132.5
Professional, legal and consultancy	**558.8**	370.8
Excise duty on sales	**1,610.6**	1,175.7
Donation	**4.3**	13.8
Loss on sale of property, plant and equipment, net	**3.3**	1.6
(Decrease) / increase of excise duty on inventories	**46.7**	(23.0)
Net (gain) / loss on foreign currency transactions	**(30.3)**	70.4
Payments to auditors (net of input credit, where applicable)		
For audit	**3.3**	2.8
For other services	**1.6**	1.4
Reimbursement of expenses	**0.1**	0.2
Loss on disposal of a subsidiary	**-**	217.4
Impairment of property, plant and equipment	**203.6**	-
Miscellaneous expenses	**1,572.2**	1,073.9
	9,916.7	8,369.8

	Year ended March 31, 2017	₹ Million Year ended March 31, 2016
35 Reconciliation of Income tax expense		
Profit before tax	**9,677.7**	**7,876.9**
Enacted income tax rate in India (%) #	**34.608%**	34.608%
Income tax expenses calculated at enacted income tax rate	**3,349.3**	2,726.0
Effect of expenses that are not deductible	**5,372.6**	5,373.8
Effect of deduction claimed under chapter VI A of Income tax act 1961	**(8,487.2)**	(6,309.4)
Effect of income that is exempt from tax	**(36.9)**	(21.7)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**4.7**	-
Utilisation of earlier years tax losses on which no deferred tax asset was recognised	**(135.1)**	(142.4)
Investment allowance u/s 32AC of Income Tax Act 1961	**(60.7)**	(5.7)
Tax Payable under MAT	**2,100.0**	-
Income tax expense recognised in the consolidated statement of profit and loss	**2,106.7**	1,620.6

The tax rate used for reconciliation above is the corporate tax rate of 34.608% at which the Group is liable to pay tax on taxable income under the Income Tax Law.

1. General information

Sun Pharma Laboratories Limited ("the Parent Company") is a public limited company incorporated and domiciled in India and is listed in the Wholesale - Debt segment of BSE Limited. The address of its registered office and principal place of business is disclosed in the introduction to the annual report. The Company is in the business of developing, manufacturing, and marketing a wide range of branded and generic pharmaceutical formulations. The Parent Company and its subsidiaries (hereinafter referred to as "the Group") has various manufacturing locations of its own, while it also engages in trading and other incidental activities.

2. Significant accounting policies

2.1 Statement of compliance

The Group has prepared its consolidated financial statements for the year ended March 31, 2017 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2016. Further, the Group has prepared the opening consolidated balance sheet as at April 01, 2015 (the transition date) in accordance with Ind AS (Refer Note 59).

2.2 Basis of preparation and presentation

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

The consolidated financial statements have been prepared on the historical cost basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; and (ii) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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

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

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

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

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company, and its subsidiaries as disclosed in Note 36. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed off the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in 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. Operating Cycle

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

c. Business combinations

The Group uses the acquisition method of accounting to account for business combinations that occurred on or after April 01, 2015. The acquisition date is generally the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Group measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), less the net recognised amount of the identifiable assets acquired and liabilities assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised immediately in the OCI and accumulates the same in equity as Capital Reserve where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase else the gain is directly recognised in equity as Capital Reserve. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

d. Foreign currency

Foreign currency transactions

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

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

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

Foreign operations

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

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

e. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

f. Property, plant and equipment

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

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

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

The estimated useful lives are as follows:

Asset Category	No. of Years
Leasehold land	90-196
Factory buildings	10-30
Other buildings	10-60
Plant and equipment	3-25
Vehicles	5-10
Office equipment	2-5
Furniture and fixtures	10

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.

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, 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.

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, Trademarks, Designs and Other intangibles ranges from 5 to 12 years.

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

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

De-recognition of intangible assets

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

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

h. Impairment of non-financial assets other than goodwill

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

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

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

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

i. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

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

Debt instrument at FVTOCI

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

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

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

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

Debt instrument at FVTPL

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

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

Equity instruments

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

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

Derecognition

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

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

Impairment of financial assets

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

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

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

c) Lease receivables under Ind AS 17

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

e) Loan commitments which are not measured as at FVTPL

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

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Repurchase of the 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 Company's own equity instruments.

Compound financial instruments

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

Initial recognition and measurement

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

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through profit or loss

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

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

Financial liabilities subsequently measured at amortised cost

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

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

Financial guarantee contracts

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

Derecognition

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

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.

Dividend distribution to equity holders of the parent

The 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 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.

j. Leases

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

Group as a lessee

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

Operating lease payments are generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are also recognised as expenses in the periods in which they are incurred.

Group as a lessor

Rental income from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits 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.

k. Inventories

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

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

l. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

m. Provisions, contingent liabilities and contingent assets

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

Restructuring

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

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefit expected to be received from the contract.

Contingent liabilities and contingent assets

Contingent liability is disclosed for,

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

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

Contingent Assets are not recognised in the financial statements.

n. Revenue

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

Sale of goods

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

Provisions for applicable discounts 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.

Dividend and interest income

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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

o. Government grants

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

p. Employee benefits

Defined benefit plans

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

Termination benefits

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

Short-term and Other long-term employee benefits

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

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

Defined contribution plans

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

Share-based payment arrangements

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.

q. 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.

r. 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 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.

s. Recent Accounting pronouncements

Standards issued but not yet effective

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

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

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

NOTE : 36

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

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest for the year ended		
		March 31, 2017	March 31, 2016	April 01, 2015
Parent Company				
Sun Pharma Laboratories Limited				
Direct Subsidiaries				
1 Universal Enterprises Private Limited	India	**100.00%**	100.00%	100.00%
2 Sun Pharmaceutical Medicare Limited (Refer Note b)	India	**100.00%**	-	-
3 Silverstreet Developers LLP (Refer Note d)	India	-	-	95.00%
Name of Associates				
4 Generic Solar Power LLP	India	**28.76%**	28.76%	-
5 Trumpcard Advisors and Finvest LLP	India	**40.61%**	-	-
6 Sun Pharma Holdings (Refer Note e)	Mauritius	**0.01%**	0.01%	-

b) Incorporated during the year ended March 31, 2017.

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

d) The Group has sold its investment in Silverstreet Developers LLP w.e.f. April 01, 2015

e) Significant influence through representation on the board of directors of the investee which gives the Parent Company power to participate in the financial and operating policy decisions of the investee.

NOTE : 37

A CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
i Contingent liabilities			
Liabilities disputed - appeals filed with respect to :			
Income tax	10,686.8	11,888.9	15,619.0
Excise duty	3,643.8	1,009.2	459.8
Environment cess	23.3	23.3	23.3
Footnote: Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.			
ii Commitments			
Estimated amount of contracts remaining to be executed on capital account [net of advances].	502.7	913.5	1035.5
Letters of credit for imports	4.2	1,065.9	382.6
B Guarantees given by the bankers on behalf of the Group (Refer Note 56)	251.2	92.1	95.6

NOTE : 38
CATEGORIES OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY

₹ in Million

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Financial Assets			
At Amortised Cost			
Investments			
In Debentures/Bonds (Unquoted)	-	106.0	97.1
In Commercial paper	-	488.8	524.3
Trade Receivables	5,926.7	3,824.8	5,370.6
Cash and cash equivalents	33.3	10.4	8.4
Bank balances other than above	26.2	32.9	86.5
Loans to employees / other parties	9,588.1	10,334.4	7,520.3
Loans to related parties	-	8,020.0	-
Receivable on account of assets given under finance lease	-	389.3	399.3
Other Financial Assets			
Bank deposits with more than 12 months maturity	4.9	-	-
Interest accrued	20.6	27.7	63.8
Security Deposits	150.8	127.9	117.3
Insurance claim receivables	11.7	13.6	8.7
At Fair value through profit or loss (Level 1)			
Investments			
In Mutual funds	1,675.5	5,641.2	19,026.4
At Fair value through other comprehensive income (Level 1)			
Investments			
In Debentures/Bonds (Quoted)	654.8	644.4	2,671.1
Financial Liabilities			
At Amortised Cost			
Borrowings	14,342.7	10,395.9	388.9
Trade Payables	5,264.5	3,794.6	3,455.1
Interest accrued	215.3	217.0	-
Security deposits	20.3	81.9	79.4
Payables on purchase of property, plant and equipment	499.7	825.4	260.9
Temporary overdrawn bank balance as per books	74.2	87.0	4.3

The financial instruments are categorized based on the inputs used to arrive at fair value measurements as described below:

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

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

NOTE : 39
CAPITAL MANAGEMENT

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

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

₹ in Million

(i) Debt equity ratio	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Debt (includes non-current, current borrowings and current maturities of long term debt)	14,342.7	10,395.9	388.9
Less : Cash and cash equivalents	33.3	10.4	8.4
Net debt	14,309.4	10,385.5	380.5
Total equity (excluding capital reserve)	11,885.7	6,874.6	697.9
Net debt to equity ratio	1.2	1.5	0.5

₹ in Million

(ii) Dividend on equity shares paid during the year	For the year March 31, 2017	For the year March 31, 2016
Dividend on equity shares		
Final dividend for the year ended March 31, 2016 of ₹ 40,000 (previous year for year ended March 31, 2015 ₹ Nil) per fully paid share	2,000.0	-
Dividend distribution tax on above	407.2	-
Dividends not recognised at the end of the reporting period		
The Board of Directors at its meeting held on May 25, 2017 have recommended payment of final dividend of ₹40,000.0 per share of face value of ₹ 10 each for the year ended March 31, 2017. The same amounts to ₹ 2,000.0 Million.		
This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and hence not recognised as liability.		

₹ in Million

(iii) Dividend on Preference shares paid during the year	For the year March 31, 2017	For the year March 31, 2016
Dividend on Preference shares		
Final dividend for the year ended March 31, 2016 of ₹ 10 (previous year for year ended March 31, 2015 ₹ Nil) per fully paid preference share	40.0	-
Dividend distribution tax on above	8.1	-
Dividends not recognised at the end of the reporting period		
The Board of Directors at its meeting held on May 25, 2017 have recommended payment of final dividend of ₹ 10 per preference share of face value of ₹100 each for the year ended March 31, 2017. The same amounts to ₹ 40.0 Million.		
This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and hence not recognised as liability.		

NOTE : 40
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 analyze 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.
Trade receivables
The Group has used expected credit loss (ECL) model for assessing the impairment loss. For the 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.
Investments
The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Financial assets for which loss allowances is measured using the expected credit loss			
Trade receivables			
less than 180 days	5,912.8	3,806.4	5,334.0
180 - 365 days	18.8	56.8	0.9
beyond 365 days	143.2	100.7	42.3
Total	**6,074.8**	**3,963.9**	**5,377.2**

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	139.1	6.6
Addition	9.0	132.5
Balance at the end of the year	148.1	139.1

Concentration of revenues from one of the customers of the Group were substantial for the year ended March 31, 2017 and for the year ended March 31, 2016. The said customer also represented substantial portion of the trade receivables as at March 31, 2017, as at March 31, 2016 and as at April 01, 2015.

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 ₹ 3,400.0 Million as on March 31, 2017, ₹ 2,333.0 Million as on March 31, 2016, ₹ 2,312.6 Million as on April 01, 2015

The table below provides details regarding the contractual maturities of undiscounted significant financial liabilities :

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2017
Non derivative				
Preference share capital	-	400.0	-	400.0
Other Borrowings*	9,001.5	5,000.00	-	14,001.5
Trade payables	5,264.5	-	-	5,264.5
Other financial liabilities	809.5	-	-	809.5
	15,075.5	5,400.0	-	20,475.5

Includes ₹ 5,000.0 Million, disclosed as current maturities of long term debt grouped in 'other financial liabilities' in the financial statements

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2016
Non derivative				
Preference share capital	-	400.0	-	400.0
Borrowings	67.00	10,000.00	-	10,067.0
Trade payables	3,794.6	-	-	3,794.6
Other financial liabilities	1,211.3	-	-	1,211.3
	5,072.9	10,400.0	-	15,472.9

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	As at April 01, 2015
Non derivative				
Preference share capital	-	-	400.0	400.0
Borrowings	87.4	-	-	87.4
Trade payables	3,455.1	-	-	3,455.1
Other financial liabilities	344.6	-	-	344.6
	3,887.1	-	400.0	4,287.1

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

Foreign exchange risk
The Group's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US Dollars, Euros and Israeli new shekel). 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 have changed substantially in recent periods and may continue to fluctuate substantially in the future.

a) The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

Amount in Million

	As at March 31, 2017			
	USD	**EUR**	**ILS**	**Others**
Financial liabilities				
Trade payables	3.1	0.3	0.3	0.0
	3.1	0.3	0.3	0.0

	As at March 31, 2016			
	USD	**EUR**	**ILS**	**Others**
Financial liabilities				
Trade payables	2.3	0.4	* 0.0	-
* £43,081				
	2.3	0.4	0.0	-

	As at April 01, 2015			
	USD	**EUR**	**ILS**	**Others**
Financial assets				
Trade receivables	0.7	-	-	-
	0.7	-	-	-
Financial liabilities				
Trade payables	5.8	0.1	-	-
	5.8	0.1	-	-

b) Sensitivity
For the years ended March 31, 2017, March 31, 2016 and April 01, 2015, every 5% strengthening in the exchange rate between the Indian Rupee and the respective major currencies for the above mentioned financial assets/liabilities would decrease Group's profit and equity by approximately ₹ 10.7 Million, ₹ 9.1 Million and ₹ 16.3 Million respectively. A 5% weakening of the Indian Rupee and the respective major currencies would lead to an equal but opposite effect.
In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

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's treasury department monitors the interest rate movement and manages the interest rate risk by evaluating interest rate swap etc. based on the market / risk perception. As at the balance sheet dates the Group has not entered into any such derivatives contracts
For the years ended March 31, 2017 and March 31, 2016, every 50 basis point decrease in the floating interest rate component applicable to its loans and borrowings would increase the Group's profit by approximately ₹ Nil and ₹ 0.3 Million respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

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

NOTE : 41
GOODWILL:

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) Goodwill in respect of:	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Sun Pharmaceutical Medicare Limited	1.0	-	-
Total	1.0	-	-

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

₹ in Million

	As at March 31, 2017	As at March 31, 2016
Opening balance	-	-
Add: Due to acquisitions during the year	1.0	-
Closing balance	1.0	-

NOTE : 42
DISCLOSURES RELATING TO SHARE CAPITAL

A Right, Preference and restrictions attached to shares and repayment of capital

The Parent Company has two classes of shares referred to as equity shares having a par value of ₹ 10 per share and 10% Redeemable Non cumulative Preference Shares having par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share. Holder of Preference shares are not entitled to any voting rights but enjoy preferential rights in respect of payments of dividend, if any, and repayment of capital, if any. The Preference Shares shall be redeemed at par, at the end of five years from the date of allotment.

B EQUITY SHARE CAPITAL

	As at March 31, 2017		As at March 31, 2016		As at April 01,2015	
	No. of shares	₹ in Million	No. of shares	₹ in Million	No. of shares	₹ in Million
Authorised Share Capital						
Equity shares of ₹ 10 each	50,000	0.5	50,000	0.5	50,000	0.5
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period						
Opening balance carried over as closing balance	50,000	0.5	50,000	0.5	50,000	0.5

Details of shareholders holding more than 5% in the Company	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
Name of equity shareholders	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Sun Pharmaceutical Industries Limited (Holding Company)	50,000	100%	50,000	100%	50,000	100%

C PREFERENCE SHARE CAPITAL *

	As at March 31, 2017		As at March 31, 2016		As at April 01,2015	
	No. of shares	₹ in Million	No. of shares	₹ in Million	No. of shares	₹ in Million
Authorised Share Capital						
Redeemable Preference Shares of ₹ 100 each	4,000,000	400.0	4,000,000	400.0	4,000,000	400.0
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period						
Opening balance carried over as closing balance	4,000,000	400.0	4,000,000	400.0	4,000,000	400.0

Details of shareholders holding more than 5% in the Company	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
Name of preference shareholders	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Sun Pharmaceutical Industries Limited (Holding Company)	4,000,000	100%	4,000,000	100%	4,000,000	100%

* 10% Non-Convertible, Non-Cumulative Redeemable Preference Shares

40,00,000 (upto March 31, 2016: 40,00,000; upto April 01, 2015: 40,00,000) 10% non-convertible, non-cumulative redeemable preference shares of ₹ 100 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.

NOTE : 43
EARNINGS PER SHARE

	Year ended March 31, 2017	Year ended March 31, 2016
Numerator used for calculating basic and diluted earnings per share (₹ in Million)		
Profit for the year (₹ in Million)	7,573.5	6,256.3
Less: Preference dividend and dividend tax (₹ in Million)	48.1	-
Profit for the year (₹ in Million) - used as numerator for calculating basic and diluted earnings per share	7,525.4	6,256.3
Weighted average number of shares used in computing basic and diluted earnings per share	50,000.0	50,000.0
Nominal value per share (in ₹)	10.0	10.0
Basic and Diluted earnings per share (in ₹)	150,508	125,126

NOTE : 44
EMPLOYEE BENEFIT
Defined contribution plan

Contributions are made to Regional Provident Fund (RPF), Family Pension Fund, Employees State Insurance Scheme (ESIC) and other Funds which covers all regular employees. While both the employees and the Company make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund and other Statutory Funds are made only by the Company. 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 ₹ 165.1 Million (Previous year ₹ 142.1 Million)

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Contribution to Provident Fund and Family Pension Fund	**161.5**	138.6
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	**3.5**	3.5
Contribution to Labour Welfare Fund (previous year: ₹ 22,356)	**0.1**	0.0

Defined benefit plan

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

These plans typically expose the Parent Company 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 Company rules with corresponding charge to the Consolidated Statement of Profit and Loss amounting to ₹ 168.3 Million (Previous Year ₹ 151.4 Million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

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

₹ in Million

	Year ended March 31, 2017 Gratuity (Funded)	Year ended March 31, 2016 Gratuity (Funded)
Expense recognised in the consolidated statement of profit and loss (Refer Note 32)		
Current service cost	**63.2**	45.4
Interest cost	**40.8**	28.8
Expected return on plan assets	**(31.8)**	(23.7)
Expense charged to the consolidated statement of profit and loss	**72.2**	50.5
Remeasurement of defined benefit obligation recognised in other comprehensive income		
Actuarial loss on defined benefit obligation	**164.2**	123.6
Actuarial gain on plan assets	**(0.6)**	(1.8)
Expense/(income) charged to other comprehensive income	**163.6**	121.8
Reconciliation of defined-benefit obligations		
Obligation as at the beginning of the year	**539.4**	363.1
Current service cost	**63.2**	45.4
Interest cost	**40.8**	28.8
Liability transferred in pursuant to acquisition	**19.6**	-
Benefits paid	**(30.2)**	(21.5)
Actuarial Gains on obligations		
- due to change in demographic assumptions	**(45.4)**	(5.9)
- due to change in financial assumptions	**224.7**	95.5
- due to experience	**(15.1)**	34.0
Obligation as at the year end	**797.0**	539.4

₹ in Million

	As at March 31, 2017 Gratuity (Funded)	As at March 31, 2016 Gratuity (Funded)
Reconciliation of liability/(asset) recognised in the Consolidated Balance sheet		
Present value of commitments (as per Actuarial Valuation)	797.0	539.4
Fair value of plan assets	(433.8)	(403.2)
Net liability recognised in the Consolidated Balance sheet	363.2	136.2
Reconciliation of plan assets		
Plan assets as at the beginning of the year	403.2	298.3
Expected return	31.8	23.7
Actuarial gain	0.6	1.8
Employer's Contribution during the year	12.0	100.9
Assets transferred in pursuant to acquisition	16.4	-
Benefits paid	(30.2)	(21.5)
Plan assets as at the year end	433.8	403.2

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

₹ in Million

	Year ended March 31, 2017 Gratuity (Funded)	Year ended March 31, 2016 Gratuity (Funded)
Sensitivity Analysis:		
Impact on defined benefit obligation		
Delta effect of +1% change in discount rate	(58.8)	(44.3)
Delta effect of -1% change in discount rate	68.1	51.8
Delta effect of +1% change in salary escalation rate	62.9	50.1
Delta effect of -1% change in salary escalation rate	(55.7)	(43.7)
Delta effect of +1% change in rate of employee turnover	(26.7)	(9.5)
Delta effect of -1% change in rate of employee turnover	30.6	10.8
Maturity analysis of projected benefit obligation		
31-Mar-18	65.4	38.2
31-Mar-19	66.4	38.6
31-Mar-20	71.9	49.5
31-Mar-21	69.1	58.1
31-Mar-22	72.2	61.4
Thereafter	324.5	435.1
The major categories of plan assets are as under :		
Insurer managed funds (Funded with LIC, break-up not available)	433.8	403.2
The contribution expected to be made by the group for gratuity, during financial year ending March 31, 2018 is ₹ 114.7 Million (Previous year ₹ 98.9 Million)		

NOTE : 45
LEASES

a 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 5 years under leave and license or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Group has given refundable interest free security deposits where applicable in accordance with the agreed terms.

b Lease payments are recognised in the consolidated Statement of Profit and Loss under "Rent" in Note 34

c Finance Lease details

The Group has entered into finance lease arrangements for giving certain equipments on lease.

The future minimum lease payments and reconciliation of gross investment in the lease and present value of minimum lease payments are as under

₹ in Million

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Future minimum lease payments			
not later than one year	-	46.8	47.3
later than one year and not later than five years	-	165.8	171.1
later than five years	-	716.3	757.7
	-	928.9	976.1
Less: Unearned finance income	-	539.6	576.8
Present value of minimum lease payments receivable	-	389.3	399.3
not later than one year	-	10.6	10.0
later than one year and not later than five years	-	28.3	30.9
later than five years	-	350.4	358.4

NOTE : 46
BORROWINGS
Details of long term borrowings and current maturities of long term debt (included under other current financial liabilities)

i ₹ 10,000.0 Million Rated unsecured listed redeemable non-convertible debentures at a coupon rate of 7.94% p.a. were issued by the Parent Company on December 23, 2015. Following are the details:

Particulars	Face Value (₹)	Redemption Amount (₹ in Million)	Date of Redemption
Rated Unsecured Listed Redeemable 5,000 Non-Convertible Debentures Series 2	1,000,000	5,000.0	March 22, 2019
Rated Unsecured Listed Redeemable 5,000 Non-Convertible Debentures Series 1 (included in current maturities of long-term debt as at March 31, 2017)	1,000,000	5,000.0	December 22, 2017

ii 10% Non-convertible, Non-cumulative redeemable preference shares of ₹ 100 each were issued by the company on August 10, 2013 (Redeemable at par on August 09, 2018). Following are the details.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
10% Non-convertible, Non-cumulative redeemable preference shares			
Classified in following two categories			
Equity component of compound financial instrument	141.2	141.2	141.2
Liability Component of Compound Financial Instrument	358.8	328.9	301.5

iii The Group has not defaulted on repayment of any loans and interest payment thereon during the year.

NOTE : 47 RELATED PARTY DISCLOSURES AS PER ANNEXURE "B"

NOTE : 48
In respect of any present obligation as a result of past event that could lead to a probable outflow of resources, provisions has been made, which would be required to settle the obligation. The said provisions are made as per the best estimate of the management and disclosure as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets" has been given below :

₹ in Million

	As at March 31, 2017			As at March 31, 2016		
	Product and Sales related *	Consultancy Charges	Total	Product and Sales related *	Consultancy Charges	Total
At the commencement of the year	1,604.9	-	1,604.9	1,391.1	676.5	2,067.6
Add: Provision for the year	1,315.4	-	1,315.4	854.6	-	854.6
Less: Utilisation / Settlement	781.0	-	781.0	640.8	676.5	1,317.3
At the end of the year	2,139.3	-	2,139.3	1,604.9	-	1,604.9

(*) includes provision for product returns for breakage and expiry

NOTE : 49

DEFERRED TAX LIABILITIES (NET)

₹ in Million

	Balance as at April 01, 2016	Recognised in profit or loss	Recognised in other comprehensive Income	Balance as at March 31, 2017
Deferred tax (liabilities) in relation to:				
Difference between written down value of property plant and equipment and capital work in progress as per books of accounts and income tax.	(431.7)	(80.1)		(511.8)
Total Deferred tax (liabilities)	**(431.7)**	**(80.1)**	**-**	**(511.8)**
Deferred tax assets in relation to:				
Allowance for doubtful debts	48.1	3.1	-	51.2
Expenses claimed for tax purpose on payment basis	126.6	60.3	56.6	243.5
Others	-	10.0	-	10.0
Total Deferred tax Assets	**174.7**	**73.4**	**56.6**	**304.7**
Total Deferred tax (Liabilities) / Assets	**(257.0)**	**(6.7)**	**56.6**	**(207.1)**

	Balance as at April 01, 2015	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at March 31, 2016
Deferred tax (liabilities) in relation to:				
Difference between written down value of property plant and equipment and capital work in progress as per books of accounts and income tax.	(303.6)	(128.1)	-	(431.7)
Total Deferred tax (liabilities)	**(303.6)**	**(128.1)**	**-**	**(431.7)**
Deferred tax assets in relation to:				
Allowance for doubtful debts	2.2	45.9	-	48.1
Expenses claimed for tax purpose on payment basis	62.8	21.6	42.2	126.6
Total Deferred tax Assets	**65.0**	**67.5**	**42.2**	**174.7**
Total Deferred tax (Liabilities)/ Assets	**(238.6)**	**(60.6)**	**42.2**	**(257.0)**

₹ in Million

Unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 01, 2015**
Tax losses (Capital in nature)	**1,330.0**	1,720.0	2,130.0
Tax losses	**13.5**	-	-
Unused tax credits (MAT credit entitlement)	**2,100.0**	-	-
	3,443.5	1,720.0	2,130.0
The unused tax credit will expire in financial year 2026-27 and unused tax losses will expire from financial year 2021-22 to 2023-24			

NOTE : 50

DETAILS OF SPECIFIED BANK NOTES HELD AND TRANSACTED DURING THE PERIOD NOVEMBER 08, 2016 AND DECEMBER 30, 2016 IS AS UNDER:

All amounts in absolute ₹

	Specified bank notes*	Others	Total
Cash in hand as on November 08, 2016	806,500	1,745,676	2,552,176
Permitted receipts during November 8, 2016 and December 30, 2016	-	1,471,847	1,471,847
Permitted payments during November 8, 2016 and December 30, 2016	(34,000)	(857,698)	(891,698)
Amount deposited in banks	(772,500)	-	(772,500)
Cash in hand as on December 30, 2016	-	2,359,825	2,359,825

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

NOTE : 51

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 71.9 Million (Previous Year ₹ 54.5 Million).

NOTE : 52

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

NOTE : 53

Pursuant to the declaration executed by the Parent Company ('Donor') in favour of an entity controlled by Trumpcard Advisors and Finvest LLP (Associate of the Parent Company), 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 Parent Company in the said Associate.

NOTE : 54

The Group holds intangible assets of the Domestic Formulation undertaking transferred to the Group on and with effect from the close of business hours on March 31, 2012, pursuant to the scheme of arrangement approved by the Hon'ble High Courts, in the nature of spin off and transfer of the said undertaking without consideration by Sun Pharmaceutical Industries Limited, the Holding Company are accounted at Fair Value on the basis of an Independent Professional Valuer's report. The carrying value and remaining amortisation period of such assets is ₹106,628.9 Million (As at March 31, 2016 ₹ 121,918.0 Million, As at April 01, 2015 ₹ 137,157.8 Million) and 7 years (As at March 31, 2016 8 years, As at April 01, 2015 9 year) respectively. The amortisation of intangible assets over 12 years 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.

NOTE : 55

Receivable on account of assets given under finance lease were receivable from a private company in which a director of the Parent Company is director.

NOTE : 56

Deposits with banks are pledged with banks against Bank Guarantees.

NOTE : 57

The Board has recommended payment of dividend of ₹ 10 per preference share of ₹ 100 each and ₹ 40,000 per equity share of ₹ 10 each for the year ended March 31, 2017 subject to approval of the members at ensuing Annual General Meeting.

NOTE : 58

USE OF ESTIMATES AND JUDGMENTS

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

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

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

3 Tax expense [Refer Note 2.2 (q)]
Significant judgements are involved in determining the provision for income taxes, if any, including amount expected to be paid/recovered for uncertain tax positions. Further, significant judgement is exercised to ascertain amount of deferred tax asset (DTA) that could be recognised based on the probability that future taxable profits will be available against which DTA can be utilized and amount of temporary difference in which DTA can not be recognised on want of probable taxable profits.

4 Provisions [Refer Note 2.2 (m)]

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

6 Contingencies (Refer Note 37)

7 Business Combinations (Refer Note 60)

NOTE : 59

Since this is the first year, the Parent Company is required to prepare consolidated financial statements, reconciliation of Total comprehensive income and Equity as compared to pervious GAAP is not applicable

NOTE : 60

BUSINESS COMBINATION

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

On March 25, 2017, the Group completed the acquisition of the manufacturing undertaking of Unimed Technologies Limited located at Baska, Gujarat which is engaged in the manufacturing of pharmaceutical products, on a slump sales basis to continue expansion of the Group's business. The acquisition price of ₹ 9.9 Million was paid in cash.

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

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

The goodwill is tax deductible.

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

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

NOTE : 61

SEGMENT REPORTING

The Group has only one reportable segment namely 'Pharmaceuticals'.

NOTE : 62

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

SUN PHARMA LABORATORIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
Ind AS- 24 - " RELATED PARTY DISCLOSURES "

ANNEXURE "B"

		Country of Incorporation
	Names of related parties where control exists and description of relationships	
1	**Holding Company**	
	Sun Pharmaceutical Industries Limited	India
	Names of related parties where there are transactions and description of relationships	
2	**Fellow Subsidiaries**	
	Sun Pharmaceutical Industries, Inc	United States of America
	Aditya Acquisition Company Limited	Israel
	Neetnav Real Estate Private Limited	India
	Sun Pharma Medisales Pvt Ltd. (formerly known as Solrex Pharmaceuticals Company)	India
	Sun Pharmaceutical Industries (Europe) B.V.	Netherlands
	Skisen Labs Private Limited	India
3	**Associates**	
	Sun Pharma Holdings	Mauritius
	Generic Solar Power LLP	India
	Trumpcard Advisors and Finvest LLP (w.e.f. March 31, 2017)	India
4	**Key Managerial Personnel**	
	Abhay A. Gandhi (upto November 10, 2016)	Executive Director and Chief Executive Officer
	Sudhir V. Valia	Non-Executive Director
	Sailesh T. Desai	Non-Executive Director
	Kalyansundaram Subramanian (w.e.f. February 13, 2017)	Executive Director and Chief Executive Officer
	S. Mohanchand Dadha	Non-Executive Director
	Rekha Sethi	Non-Executive Director
	Naresh Chand Singhal (w.e.f. February 11, 2016)	Non-Executive Director
	Dilip S. Shanghvi	Key Managerial Personnel of Holding Company
5	**Enterprise under control of Key Managerial Personnel or their relatives**	
	Makov Associates Ltd.	
	Shantilal Shanghvi Foundation	
	Dadha Pharma Pvt.Ltd.	
6	**Enterprise under significant influence of Key Managerial Personnel or their relatives**	
	Sun Pharma Advanced Research Company Ltd.	
	Alfa Infraprop Pvt. Ltd.	

Detail of related party transactions during the year ended March 31, 2017:

₹ Million

Particulars	March 31, 2017	March 31, 2016
Purchase of goods	**2,322.5**	**2,632.2**
Holding Company	2,322.5	2,632.2
Enterprise under control of key managerial personnel or their relatives (₹ 5,228)	0.0	-
Purchase of Property, Plant and Equipment	**17.5**	**65.8**
Holding Company	13.0	65.8
Fellow Subsidiaries	4.5	-
Sale of goods	**577.6**	**689.5**
Holding Company	563.1	689.5
Fellow Subsidiaries	14.5	-
Enterprise under significant influence of key managerial personnel or their relatives (March 31, 2017 ₹ 33,278 March 31, 2016 ₹ 15,238)	0.0	0.0
Sale of Property, Plant and Equipment	**283.8**	**0.5**
Holding Company	283.8	0.5
Receiving of Service	**865.0**	**803.1**
Holding Company	423.0	424.0
Fellow Subsidiaries	35.1	27.5
Enterprise under control of key managerial personnel or their relatives	141.4	115.9
Enterprise under significant influence of key managerial personnel or their relatives	265.5	235.7

Detail of related party transactions during the year ended March 31, 2017:

₹ Million

Particulars	March 31, 2017	March 31, 2016
Reimbursement of Expenses Paid	**51.2**	**61.2**
Holding Company	9.1	3.6
Fellow Subsidiaries	42.1	57.6
Rendering of Service	**269.2**	**104.8**
Holding Company	269.2	104.8
Reimbursement of Expenses Received	**2.6**	**-**
Holding Company	2.6	-
Finance (including investment and equity contributions)	**312.5**	**217.2**
Associates (March 31, 2016 ₹ 28,760) (Refer Note 53)	312.5	0.0
Fellow Subsidiaries	-	217.2
Loans / Deposit given	**9,200.0**	**35,480.0**
Holding Company	9,200.0	35,480.0
Loans received back	**17,220.0**	**27,480.0**
Holding Company	17,220.0	27,480.0
Purchase of Investment in Sun Pharma Holding	**32,318.4**	**37,994.6**
Holding Company	32,318.4	37,994.6
Interest Income	**116.4**	**1,187.9**
Holding Company	116.4	1,187.9
Interest Expense	**-**	**1.0**
Fellow Subsidiaries	-	1.0
Receipts on account of assets given under finance lease	**46.8**	**47.3**
Enterprise under significant influence of key managerial personnel or their relatives	46.8	47.3
Rent expense	**20.0**	**24.4**
Holding Company	19.3	23.8
Fellow Subsidiaries	0.7	0.6
Corporate Social Responsibility expenses	**52.1**	**-**
Enterprise under control of key managerial personnel or their relatives	52.1	-
Remuneration		
Key managerial personnel	**47.8**	**43.4**
Director's Sitting Fees	**1.3**	**0.6**

Balance Outstanding as at the end of the year

₹ Million

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Receivables	**268.3**	**421.5**	**403.7**
Holding Company	253.8	-	-
Fellow Subsidiaries	14.5	28.3	1.0
Enterprise under significant influence of key managerial personnel or their relatives	-	393.2	402.7
Payable	**1,152.7**	**310.9**	**435.4**
Holding Company	1,002.9	253.2	390.6
Fellow Subsidiaries	49.7	18.6	7.0
Key managerial personnel	7.5	6.1	6.3
Enterprise under control of key managerial personnel or their relatives	63.0	33.0	-
Enterprise under significant influence of key managerial personnel or their relatives	29.6	-	31.5
Loan Given	**-**	**8,020.0**	**-**
Holding Company	-	8,020.0	-
Enterprise under significant influence of key managerial personnel or their relatives	-	-	-
Deposit Given	**87.6**	**87.6**	**87.6**
Holding Company	0.1	0.1	0.1
Fellow Subsidiaries	87.5	87.5	87.5
Deposit Received	**-**	**66.2**	**66.2**
Enterprise under significant influence of key managerial personnel or their relatives	-	66.2	66.2

Key managerial Personnel who are under the employment of the Group are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the consolidated financial statements. As these employee benefits are lump sum amounts 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 Group.

SUN PHARMA LABORATORIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
Ind AS- 24 - " RELATED PARTY DISCLOSURES " ANNEXURE "B"

Disclosure in respect of material transactions with related parties during the year .

₹ Million

Particulars	March 31, 2017	March 31, 2016
Purchase of goods		
Sun Pharmaceutical Industries Limited	2,322.5	2,632.2
Purchase of Property, Plant and Equipment		
Sun Pharmaceutical Industries Limited	13.0	65.8
Sun Pharma Medisales Pvt Ltd. (formerly known as Solrex Pharmaceuticals Company)	4.5	-
Sale of goods		
Sun Pharmaceutical Industries Limited	563.1	689.5
Sale of Property, Plant and Equipment		
Sun Pharmaceutical Industries Limited	283.8	0.5
Receiving of Service		
Sun Pharmaceutical Industries Limited	423.0	424.0
Sun Pharma Advanced Research Company Ltd.	265.5	235.7
Reimbursement of Expenses Paid		
Neetnav Real Estate Pvt Ltd.	41.5	55.0
Rendering of Service		
Sun Pharmaceutical Industries Limited	269.2	104.8
Reimbursement of Expenses Received		
Sun Pharmaceutical Industries Limited	2.6	-
Finance (including investment and equity contributions)		
Trumpcard Advisors and Finvest LLP (Refer Note 53)	312.5	-
Skisen Labs Private Limited	-	217.2
Loans / Deposit given		
Sun Pharmaceutical Industries Limited	9,200.0	35,480.0
Loans received back		
Sun Pharmaceutical Industries Limited	17,219.9	27,480.0
Purchase of Investment in Sun Pharma Holding		
Sun Pharmaceutical Industries Limited	32,318.4	37,994.6
Interest Income		
Sun Pharmaceutical Industries Limited	116.4	1,187.9
Interest Expense		
Neetnav Real Estate Private Limited	-	1.0
Receipts on account of assets given under finance lease		
Alfa Infraprop Pvt. Ltd.	46.8	47.3
Rent expense		
Sun Pharmaceutical Industries Limited	19.3	23.8
Corporate Social Responsibility expenses		
Shantilal Shanghvi Foundation	52.1	-
Remuneration		
Key managerial Personnel		
Abhay A. Gandhi	41.1	43.4
Director's Sitting Fees		
Rekha Sethi	0.4	0.2
S. Mohanchand Dadha	0.3	0.2

Annexure A

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

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other Comprehensive Income (OCI)		Share in other 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 Pharma Laboratories Limited	100.0	197,557.8	100.1	7,584.3	99.9	(107.0)	100.1	7,477.3
Subsidiaries								
Indian								
1 Universal Enterprise Private Limited	0.0	5.3	0.0	0.0	-	-	0.0	0.0
2 Sun Pharmaceutical Medicare Limited	(0.0)	(11.0)	(0.2)	(13.5)	-	-	(0.2)	(13.5)
Associates (Investment as per the equity method)								
India								
1 Generic Solar Power LLP	-	-	-	-	-	-	-	-
2 Trumpcard Advisors and Finvest LLP	-	-	-	-	-	-	-	-
Foreign								
1 Sun Pharma Holdings	-	-	0.0	2.5	-	-	0.0	2.5
Intercompany Elimination and Consolidation Adjustments	(0.0)	(12.1)	0.0	0.2	0.1	(0.1)	0.0	0.1
Total	100.0	197,540.0	100.0	7,573.5	100.0	(107.1)	100.0	7,466.4

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

Annexure A

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

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other Comprehensive Income (OCI)		Share in other Comprehensive Income (TCI)	
	2015-16		2015-16		2015-16		2015-16	
	As % of consolidated net assets	₹ In Million	As % of consolidated profit or (loss)	₹ In Million	As % of consolidated OCI	₹ In Million	As % of consolidated (TCI)	₹ In Million
Parent Entity - Sun Pharma Laboratories Limited	100.0	192,535.8	100.0	6,256.9	100.0	(79.6)	100.0	6,177.3
Subsidiaries **Indian**								
1 Universal Enterprise Private Limited	0.0	5.3	-	-	-	-	-	-
Associates (Investment as per the equity method) **India** 1 Generic Solar Power LLP	-	-	-	-	-	-	-	-
Foreign 1 Sun Pharma Holdings	-	-	0.0	0.0	-	-	0.0	0.0
Intercompany Elimination and Consolidation Adjustments	(0.0)	(12.2)	(0.0)	(0.6)	0.0	(0.0)	(0.0)	(0.7)
Total	100.0	192,528.9	100.0	6,256.3	100.0	(79.6)	100.0	6,176.7

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

SUN PHARMA LABORATORIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

FORM AOC - 1
PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF COMPANIES ACT, 2013 WITH THE RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES
PART "A": SUBSIDIARIES

₹ In Million

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	Universal Enterprises Private Limited	31.08.2012	INR	1.00	4.5	0.8	5.3	0.0	-	-	0.0	0.0	0.0	-	100.00%
2	Sun Pharmaceutical Medicare Limited	16.01.2017	INR	1.00	2.5	(13.5)	1,934.5	1,945.5	-	0.0	(13.5)	0.0	(13.5)	-	100.00%

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

Part "B": Associate Companies

₹ In Million

Sr. No	Name of Associates	Associate		
		Generic Solar Power LLP	Trumpcard Advisors and Finvest LLP	Sun Pharma Holdings
1	Latest audited Balance Sheet Date	31-Mar-17	31-Mar-17	31-Mar-17
	Date of acquisition	09.10.2015	31.03.2017	03.12.2015
2	Shares of Associates held by the company on the year end			
	No.	28,760	NA	50000
	Amount of Investment in Associates	0.0	312.5	3.4
	Extend of Holding %	28.76%	40.61%	0.01%
3	Description of how there is significant influence	NA	NA	NA
4	Reason why the associate is not consolidated	NA	NA	NA
5	Networth attributable to Shareholding as per latest audited Balance Sheet	0.1	0.4	11.9
6	Profit / Loss for the year			
	i. Considered in Consolidation	0.0	0.0	2.6
	ii. Not Considered in Consolidation	0.0	0.0	43877.9

For and on behalf of the Board of Directors of
Sun Pharma Laboratories Limited

UDAY V. BALDOTA
Chief Financial Officer
Mumbai

SUDHIR V. VALIA
Director
Mumbai

SAILESH T. DESAI
Director
Mumbai

RACHANA N. KOKAL
Company Secretary
Mumbai

KALYANASUNDARAM SUBRAMANIAN
Whole time Director & CEO
Montreal

Date: May 25, 2017