SUN PHARMA LABORATORIES LIMITED

22ND ANNUAL REPORT

2017-18

CONTENTS **PAGE NO.**

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Kalyanasundaram Subramanian	Whole-Time Director & CEO
Mr. Sailesh Desai	Non-Executive Director
Mr. Sudhir V. Valia	Non-Executive Director
Mr. S. Mohanchand Dadha	Independent Director
Mr. Naresh Chand Singhal	Independent Director
Ms. Rekha Sethi	Independent Director

CHIEF FINANCIAL OFFICER
Mr. C. S. Muralidharan (with effect from 19th June, 2017)
Mr. Uday Baldota (Upto 19th June, 2017)

COMPANY SECRETARY
Ms. Rachana Kokal

AUDITORS
S R B C & Co LLP
Chartered Accountants

REGISTERED OFFICE
Sun House, Plot No. 201 B/1,
Western Express Highway, Goregaon (E),
Mumbai – 400063, India
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:compliance@axistrustee.com

NOTICE OF 22nd ANNUAL GENERAL MEETING

Notice is hereby given that the **Twenty Second Annual General Meeting** of the members of **Sun Pharma Laboratories Limited** will be held on **Tuesday, September 25, 2018 at 3:30 p.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. (a) To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon.

   (b) To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2018 and the reports of the Auditors thereon.

2. To confirm the payment made of interim dividend on Preference Shares during the financial year ended March 31, 2018, as final dividend.

3. To confirm the payment made of interim dividend on Equity Shares and to declare a final dividend on Equity Shares for the financial year ended March 31, 2018.

4. To appoint a Director in place of Mr. Sudhir V. Valia (DIN: 00005561), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule IV of the Act and 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. Naresh Chand Singhal (DIN: 00004916), whose term of office as Independent Director was upto February 10, 2018, in respect of which he has been further re-appointed as an Additional Independent Director with effect from February 11, 2018 by the Board of Directors and who holds office upto the conclusion of this 22nd Annual General Meeting, be and is hereby re-appointed as an Independent Director of the Company for a further term of 5 (Five) years commencing from February 11, 2018 upto February 10, 2023, who shall not be liable to retire by rotation."

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

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), relevant provisions of Articles of Association of the Company and subject to such approval(s) as may be necessary under law, Mr. Kalyanasundaram Subramanian ("Kal Sundaram") (DIN: 00179072), Whole-time Director and Chief Executive Officer (CEO) of the Company upon expiry of his present term of office on February 12, 2019, be and is hereby re-appointed as Whole-time Director & CEO of the Company for a further period of 2 (two) years commencing from February 13, 2019 to February 12, 2021 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 as placed before this meeting and as stated below 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 Act or such other applicable provisions or any statutory modification(s) or re-enactment(s) thereof and, if necessary, subject to the approval of Central Government as may be necessary and agreed to between the Board of Directors and 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:

a. Subject to the control and supervision of the Board of Directors and subject to the provisions of the Act, the Whole-time Director and CEO of the Company will carry out such duties and exercise such powers as may be entrusted to him by the Board of Directors.

   He is further authorized to do all such acts, deeds, things and matter as may be required to do, as the Whole-time Director and CEO of the Company. Mr. Kal Sundaram shall perform such duties and exercise such powers as are additionally entrusted to him by the Board.

b. The re-appointment of Mr. Kal Sundaram as the Whole-time Director and CEO of the Company would be subject to the provisions of Section 152(6) of the Act, i.e. Mr. Kal Sundaram would be liable to retire by rotation. The re-appointment as Whole-Time Director will be terminated by either party giving to other three months' notice in writing or upon Mr. Kal Sundaram ceasing to be a Director of the Company.

RESOLVED FURTHER THAT the remuneration payable to Mr. Kalyanasundaram Sundaram 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::

i) 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.

ii) 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.

iii) 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. not exceeding the ceiling limits as approved by the Board of Directors and the Members hereinabove, 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 Act, the Board of Directors be and is hereby authorized 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 authorized to take such steps as they may deem fit, expedient or desirable to give effect to this Resolution."

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

"**RESOLVED THAT** pursuant to the provisions of Section 42 and Section 71 of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and all other applicable provisions, if any, of the Act, approval of the members be and is hereby accorded to the Board of Directors of the Company to raise/borrow from time to time by way of issue of non-convertible securities including but not limited to bonds and/or non-convertible debentures (NCDs) and / or money market instruments (collectively referred to as instruments), in one or more tranches, on a private placement basis as may be necessary, from such persons and on such terms and conditions as the Board of Directors of the Company may from time to time, determine and consider proper, for a period of 1 (one) year from the date hereof, on such terms and conditions including face value of the instrument to be raised/ issued, the price/ consideration for the issue, mode of payment, coupon rate, redemption period, if any, utilization of the issue proceeds, premium / discount, tenor etc. and all matters connected therewith or incidental thereto, 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 the aforesaid 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."

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

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to the necessary approvals as may be necessary, the new set of Articles of Association, a copy of which is placed before the meeting and duly initialed by the Chairman for the purpose of identification, be and is hereby approved and adopted as the Articles of Association of the Company in place of and in substitution of the existing Articles of Association of the Company with effect from the date of this 22nd Annual General Meeting.

RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary or such other person as authorized by the Board, be and are hereby authorized severally to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. **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 any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the Members be and hereby ratify the remuneration as set out in the Explanatory Statement annexed to this Notice payable to M/s. Kailash Sankhlecha & Associates, Cost Accountants, Firm's Registration No. 100221, appointed as the Cost Auditors of the Company to conduct the audit of cost records maintained by the Company for the financial year 2018-19.

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."

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

Place: Mumbai

Date: 10th September, 2018

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 Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the 22nd Annual General Meeting of the Company (the "Meeting" or "AGM") under Item Nos. 5 to 9.

   The relevant details as required under Clause1.2.5 of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS-2), in respect of the persons seeking appointment / re-appointment as Director 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 TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH 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 scheduled time of the commencement 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. IST and 1.00 p.m. IST up to the date of the Annual General Meeting and at the venue of the Annual General Meeting during Meeting hours.

5) Members of the Company had approved the appointment of M/s. SRBC & Co LLP, Chartered Accountants, Mumbai, as the Statutory Auditor of the Company at the 21st Annual General Meeting of the Company for a period of five years upto the conclusion of 26th Annual General Meeting of the Company. This appointment was required to be ratified by members at every Annual General Meeting in accordance with the Act, however, in accordance with the Companies Amendment Act, 2017, enforced on May 07, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is now not required to be ratified by the members at every Annual General Meeting.

6) 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. IST and 1:00.p.m. IST upto the date of the Meeting and at the venue of the Meeting during Meeting hours.

7) The Board of Directors at its Meeting held on May 24, 2018, recommended a Dividend of Rs. 95,000/- (Rupees Ninety Five Thousand only) per equity share of Rs. 10/- (Rupees Ten only) each of the Company for the year ended March 31, 2018 and the same if declared at the Meeting will be paid on or before Friday, September 28, 2018 to the Company's Equity Shareholders whose names stand on the Register of Members on Tuesday, September 25, 2018 as Members of the Company after giving effect to valid transfers in physical form lodged with the Company on or before Tuesday, 25th September, 2018.

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

As required under Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the Special business as set out at Item Nos. 5 to 9 of the accompanying Notice dated 10th September, 2018:

Item No. 5

Mr. Naresh Chand Singhal was appointed as an Additional Independent Director on February 11, 2016, in terms of Section 161(1) of the Companies Act, 2013 ('the Act') and was subsequently appointed by the members as an Independent Director at the 20th Annual General Meeting of the Company for a period of two years upto 10th February, 2018 under Section 149 and Section 152 of the Act.

He was further re-appointed as an Additional Independent Director by the Board effective from February 11, 2018 at its meeting held on November 13, 2017 in terms of Section 161(1) of the Act, on recommendation of Nomination and Remuneration Committee. Pursuant to the provisions of the aforesaid Section of the Act, Mr. Naresh Chand Singhal holds office upto the conclusion of this 22nd Annual General Meeting.

Further pursuant to Sections 149 (10) and 149(11) of the Act, an Independent director can hold office for not more than two consecutive terms of upto five years each and shall be eligible for re-appointment by way of passing special resolution by the Company.

Since Mr. Naresh Chand Singhal has completed one term of 2(Two) years, he is eligible for re-appointment for one more term of upto 5(Five) Years. Accordingly, based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and Board of Directors of the Company at their meeting held on May 24, 2018, have approved and recommended the re-appointment of Mr. Naresh Chand Singhal as an Independent Director for a second term of 5 years effective from February 11, 2018 upto February 10, 2023, for approval of the members by way of special resolution at this AGM.

As per the provisions of Sections 149, 152 and Schedule IV of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Naresh Chand Singhal being Additional Independent Director of the Company, the approval of the members is being sought for his re-appointment as an Independent Director for a further term of 5 years and during this term he shall not be liable to retire by rotation.

The Company has received declaration from Mr. Naresh Chand Singhal, stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Act. In the opinion of the Board, he fulfils the conditions specified in the said Act and the rules made thereunder for re-appointment as an Independent Director of the Company and that he is independent of the management.

The Company has also received notice pursuant to Section 160 of the Act from a member proposing the candidature of Mr. Naresh Chand Singhal for his re-appointment as Independent Director of the Company.

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

The Board of Directors recommend the Resolution as set out in item no. 5 of this Notice for approval of the Members as Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Naresh Chand Singhal to whom this resolution relates, are in any way concerned or interested in the Resolution as set out at Item no. 5 of this Notice.

Item no. 6

Mr. Kalyanasundaram Subramanian ("Mr. Kal Sundaram"), was appointed as the Whole-time Director and CEO of the Company by way of Special Resolution passed by the members at the 21st Annual General Meeting of the Company for a period of 2(two) years effective from February 13, 2017 and his present term of appointment is upto February 12, 2019.

Mr. Kal Sundaram has been re-appointed as the Whole-time Director & CEO of the Company by the Board of Directors on recommendation of the Nomination and Remuneration Committee of the Company, at their respective meetings held on May 24, 2018, subject to approval of members, upon expiry of his present term, for a further term of 2 (Two) years effective from February 13, 2019 upto February 12, 2021 on the terms and conditions including remuneration as set out in the resolution at Item no. 6.

The main terms and conditions of re-appointment including remuneration of Mr. Kal Sundaram as set out at resolution at Item no. 6 of this Notice are to be read with the general terms and conditions as stated in his appointment letter which is available for inspection.

Mr. Kal Sundaram fulfills all the conditions given under section 196(3) and Schedule V to the Companies Act, 2013 ('the Act') for being eligible for his re-appointment. He is not disqualified in terms of section 164 of the Act, from being appointed as Director.

The copy of the appointment letter of Mr. Kal Sundaram 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. to 1.00 p.m. up to the date of this Annual General Meeting and at the venue of this Annual General Meeting during Meeting hours.

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

Mr. Kal Sundaram is having rich experience in the pharmaceutical industry as detailed in the profile and has successfully contributed towards the growth of the Company.

The members' approval is being sought for re-appointment and remuneration of Mr. Kal Sundaram as a Whole-time Director and CEO of the Company for a period of 2(Two) years effective from February 13, 2019 to February 12, 2021 on the terms and conditions including remuneration as set out in the resolution No. 6 in terms of applicable provisions of the Act and rules made thereunder.

Further the members may note that, Mr. Kal Sundaram is also the Whole-time Director of Sun Pharmaceutical Industries Limited (SPIL), Holding Company, without any remuneration. The Board of Directors of SPIL at its Board meeting held on February 14, 2017 has re-appointed Mr. Kal Sundaram as the Whole-time Director for a further period of 2 (Two) years effective from February 14, 2019 to February 13, 2021 without any remuneration subject to approval of the members of SPIL at the ensuing Annual General Meeting of SPIL.

Section 196 and Section 197 of the Act states that the terms and conditions of appointment and remuneration payable of Whole-time Director is required to be approved by the members by way of Ordinary resolution. However since the resolution also provides for payment of the said limit of remuneration as Minimum remuneration in case of loss or inadequacy of profits, the Board recommends the Resolution set out at item no. 6 of this Notice for approval of the Members as Special Resolution as per requirement of Schedule V of the Act.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Kal Sundaram to whom this resolution relates, are in anyway concerned or interested in the resolution as set out at item no.6 of this Notice.

Item No. 7

The Company may need more funds for expanding its business and/or for general corporate purposes from time to time, it is thought prudent for the Company to have enabling approvals to raise full or a part of the funding requirements for the said purposes.

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.

Accordingly, the members at the previous 21st Annual General Meeting held on September 25, 2017, 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 for passing the special resolution as set out in Item no. 7 of this Notice.

The Company had raised 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 aggregating upto Rs. 10,00,00,00,000/- (Rupees One Thousand Crore), under two series with Series 1 Debentures comprising of 5,000 Debentures and Series 2 Debentures Comprising of 5,000 Debentures issued in December 2015. During the financial year 2017-18, 5,000 Debentures of Face Value of Rs. 10,00,000/- (Rupees Ten Lakhs Only) each of Series 1 aggregating upto Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only) have been redeemed on due date. The remaining 5000 Debentures of Face Value of Rs. 10,00,000/- (Rupees Ten Lakhs Only) each of Series 2 will be due for redemption on March 22, 2019.

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.

The Board recommends the passing of the Resolution set out in Item No. 7 of this 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. 8

The Articles of Association of the Company as currently in force was first adopted when the Company was incorporated under the Companies Act, 1956 and further amendments were adopted from time to time, over the past several years.

In view of the substantive changes effected in corporate laws consequent to the notification of the Companies Act, 2013 (including amendments thereto), it is proposed to adopt new set of Articles of Association to align it with the provisions of the Companies Act, 2013 (including amendments thereto) including the Rules framed thereunder.

The new set of Articles of Association of the Company as proposed to be adopted along with the existing Articles of Association of the Company are available 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. upto the date of the Meeting and at the Meeting.

The Board recommends the passing of the Resolution in Item No. 8 of this 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. 9

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, 2019 at a remuneration of Rs. 6,75,000 (Rupees Six Lakhs and Seventy Five 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. 9 for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019.

The Board recommends the Resolution as set out at item no. 9 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.

Place: Mumbai
Date: 10th September, 2018

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

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

Rachana Kokal
Company Secretary

PROFILE OF DIRECTORS

As required under Secretarial Standard - 2, the particulars of Mr. Sudhir V Valia, Mr. Naresh Chand Singhal and Mr. Kalyanasundaram Subramanian who are proposed to be re-appointed at this 22nd Annual General Meeting, are given below:

The details of Board and Committee Meetings attended by these Directors during the year 2017-18 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).

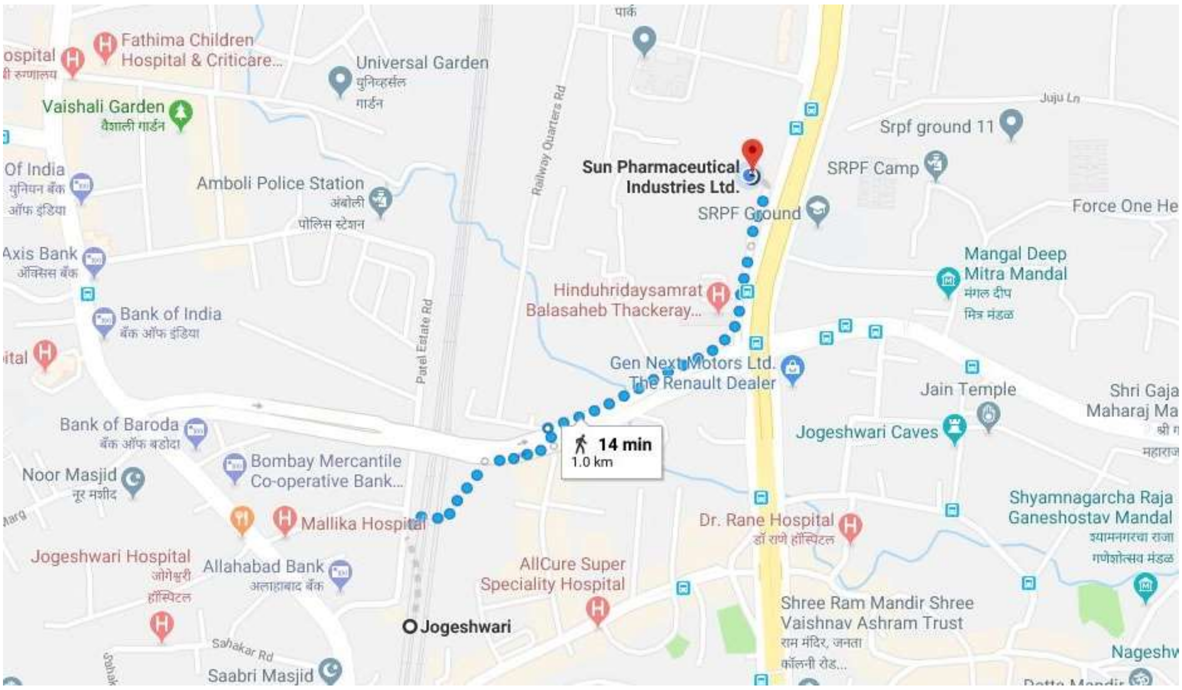
Particulars	Mr. Sudhir V Valia
Age	61 years
Brief resume of the Director including nature of expertise in specific functional areas	Mr. Sudhir V. Valia holds a Bachelor's degree in Commerce from University of Mumbai and is also a qualified Chartered Accountant with more than three decades of taxation and finance experience. He has been the Director of the Company since 2012 and is also on the Board of Sun Pharmaceutical Industries Limited, Taro Pharmaceutical Industries Ltd and Sun Pharma Advanced Research Company Limited. Mr. Valia has won several awards including CNBC TV 18's CFO of the Year in the Pharmaceutical and Healthcare Sectors for two consecutive years - 2011 and 2012, as well as in the year 2009. He is actively involved in the field of social activities and he was awarded the Adivasi Sevak Puraskar (2008 -2009) by the Government of Maharashtra for his contribution towards the welfare of tribals, particularly in the field of education in his capacity as visionary and Director of Shantilal Shanghvi Foundation. He is also a Director of Krishna Vrundavan Pratishthan.
Date of First appointment on the Board	30th October, 2012
Directorship held in other companies (excluding foreign companies & section 8 companies)	1. Sun Pharmaceutical Industries Limited 2. Sun Pharma Advanced Research Company Limited 3. Aditya Clean Power Ventures Private Limited 4. Sun Petrochemicals Private Limited 5. Suraksha Asset Reconstruction Private Limited 6. Aditya Thermal Energy Private Limited 7. Faststrack Housing Finance Private Limited 8. Alfa Infraprop Private Limited 9. Universal Enterprises Private Limited 10. ITI Mutual Fund Trustee Private Limited 11. ITI Reinsurance Limited
Membership / Chairmanships of Committees of other public Companies	(1) Sun Pharma Advanced Research Company Limited: Chairman of Corporate Social Responsibility Committee Chairman of Fund Management Committee Member of Stakeholders Relationship Committee Member of Audit Committee Member of Securities Allotment Committee Member of Stakeholders Relationship Committee (2) Sun Pharmaceutical Industries Limited: Chairman of Committee of Directors (Allotment) Member of Risk Management Committee Member of Corporate Social Responsibility Committee Member of Stakeholders Relationship Committee
Inter-se Relationship between Directors	NIL
No. of Shares held in the Company (singly or jointly as first holder) as on 31st March, 2018	1 share held for and on behalf of Sun Pharmaceutical Industries Limited as its nominee and jointly held with Sun Pharmaceutical Industries Limited

Particulars	Mr. Naresh Chand Singhal
Age	81 years
Brief resume of the Director including nature of expertise in	He wasDirector of ICICI Ltd. and founder, Vice- Chairman & Managing Director of The

Particulars	Mr. Naresh Chand Singhal
Age	81 years
specific functional areas	Shipping Credit & Investment Corporation of India Limited, SCICI, established for the development of shipping industry. He also worked as a banking expert Consultant and Management Specialist with the Asian Development Bank in Philippines, South Korea, Pakistan and Uzbekistan, and World Bank project in Afghanistan. Currently, he is a non-executive Director of banking, finance, mutual fund, power generation, manufacturing and shipping companies. He holds postgraduate qualifications in Economics, Statistics and Administration, and was awarded the United Nations Development Programme Fellowship for advanced studies in the field of project formulation and evaluation.
Date of First appointment on the Board	11th February, 2016
Directorship held in other companies (excluding foreign companies & section 8 companies)	1. Aditya Birla Sun Life Asset Management Company Limited 2. Tolani Shipping Company Limited 3. Capital First Limited 4. Dhanvikas Fiscal Services Private Limited
Membership / Chairmanships of Committees of other public Companies	1. Chairman – Audit Committee of Tolani Shipping Company Limited 2. Chairman – Nomination and Remuneration Committee of Tolani Shipping Company Limited 3. Chairman – Nomination and Remuneration Committee of Capital First Limited 4. Member – Audit Committee of Capital First Limited
Inter-se Relationship between Directors	NIL
No. of Shares held in the Company (singly or jointly as first holder) as on 31st March, 2018	NIL

Particulars	Mr. Kalyanasundaram Subramanian (Kal Sundaram)
Age	64 years
Brief resume of the Director including nature of expertise in specific functional areas	Mr. Kal Sundaram joined Sun Pharmaceutical Industries Limited (SPIL) in January 2010 after 22 years with GSK in various parts of the world. Mr. Kal Sundaram 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 Sundaram'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 Sundaram joined SPIL as the Chief Executive officer to manage India and Emerging Markets (EM) and was a Board member of SPIL. Mr. Kal Sundaram spearheaded opening of SPIL operations in few important markets such as Japan, MENA. In 2012, Mr. Kal Sundaram moved to USA to assume responsibility for Taro operations in North America. In Jan 2017, Mr. Kal Sundaram moved back to India to manage EM regions and India of SPIL and Sun Pharma Laboratories Limited. He has also been appointed as Whole-Time Director of SPIL without remuneration w.e.f 14th February, 2017.
Date of First appointment on the Board	13th February, 2017
Directorship held in other companies (excluding foreign companies & section 8 companies)	Sun Pharmaceutical Industries Limited
Membership / Chairmanships of Committees of other public Companies	NIL
Inter-se Relationship between Directors	NIL
No. of Shares held in the Company (singly or jointly as first holder) as on 31st March, 2018	NIL

ROUTE MAP to 22nd Annual General Meeting Venue
Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (E), Mumbai – 400 063
Prominent Landmark – Beside Raheja Titanium



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

ATTENDANCE SLIP

TWENTY SECOND ANNUAL GENERAL MEETING OF THE COMPANY AT3:30 ON TUESDAY 25TH SEPTEMBER, 2018 AT SUN HOUSE, PLOT NO. 201 B/1, WESTERN EXPRESS HIGHWAY, GOREGAON-EAST, MUMBAI - 400 063, INDIA

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

I /We hereby record my/our presence at the **TWENTY SECOND ANNUAL GENERAL MEETING** of the Company **at 3:30 p.m. on Tuesday, 25th September, 2018 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, Plot No. 201 B/1, Western Express Highway, Goregaon-East,
Mumbai - 400 063, India..**Tel Nos:** 02243244324
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PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014*]*
[Form MGT-11]

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 SECOND ANNUAL GENERAL MEETING** of the Company **to be held on Tuesday, September 25, 2018 at 03:30 P.M. at Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon-East, Mumbai - 400 063.**

Signature of Shareholder: ……………………………….………. Signed this……..…… day of ……………… 2018

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-Second Annual Report and the Company's Audited Financial Statements for the financial year ended March 31, 2018.

FINANCIAL RESULTS

(Rs. in Million)

Particulars	Standalone		Consolidation	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Total – Revenue	52,112.7	53,228.9	53,308.8	53,228.9
Profit Before Tax	11,582.4	9,691.0	11,521.1	9,677.7
Tax Expense:				
-Current Tax	2,510.0	2,100.0	2,510.0	2,100.0
-Deferred Tax Charge / Credit	310.2	6.7	310.2	6.7
Profit after tax	8,762.2	7,584.3	-	-
Profit after Tax before Share in profit / (loss) of associates	-	-	8,700.9	7,571.00
Share of Profit of Associates	-	-	132.7	2.5
Total Other Comprehensive Income	78.1	(107.0)	66.6	(107.1)
Total Comprehensive Income	8,840.3	7,477.3	-	-
Total Comprehensive Income for the period attributable to:				
-Owners of the Company	-	-	8,900.2	7,466.4
Opening balance in Retained Earnings	9,678.4	5,698.1	9,660.7	5,691.2
Add: Amount available for appropriation	8,846.5	7,477.3	8,906.4	7,466.5
Less: Appropriations				
Dividend on Equity Shares	(7,875.0)	(2,000.0)	(7,875.0)	(2,000.0)
Dividend on Preference Shares	(80.0)	(40.0)	(80.0)	(40.0)
Corporate Dividend tax	(1,619.4)	(415.3)	(1,619.4)	(415.3)
Transfer to various Reserves:				
-Debenture redemption Reserve	833.4	(1,041.7)	833.4	(1,041.7)
Closing balance in Retained Earnings	9,783.9	9,678.4	9,826.1	9,660.7

STATE OF COMPANY'S AFFAIRS

During the current year of operation, the Company on Standalone basis has registered a decrease in the revenue from Rs. 53,228.9 to Rs. 52,112.7 Million due to impact in the overall growth of the domestic market by the temporary disruption in the trade channel due to implementation of the Goods and Service Tax during the year, however, the profit before tax has increased from Rs. 9,691 Million to Rs. 11, 582.4 Million majorly due to reduction in operating cost and change in regulatory environment. Consequently, the Company has registered profit after tax of Rs. 8,762.2 Million. The contribution of subsidiaries and associates in consolidation is minor as reflected in the Financial Results.

DIVIDEND

During the financial year 2017-18, the Board of Directors at their meeting held on September 25, 2017 declared dividend as follows:

(i) an interim dividend of Rs. 10/- (Rupees Ten Only) per preference share of Rs. 100/- (Rupees Hundred Only) each on 40,00,000 (Forty Lakh) preference shares and;

(ii) interim dividend of Rs. 1,17,500/- (Rupees One Lakh Seventeen Thousand Five Hundred Only) per equity share of Rs.10/- (Rupees Hundred Only) each on 50,000 (Fifty Thousand) equity shares,

which were paid to the Preference and Equity shareholders respectively, on September 27, 2017.

The Board recommends that the interim dividend paid as aforesaid on preference shares be treated as the final dividend for the financial year ended March 31, 2018.

Further the Board has recommended final dividend of Rs. 95,000/- (Rupees Ninety Five Thousand only) per equity share of Rs. 10/- (Rupees Ten only) each on 50,000 (Fifty Thousand) equity shares for the financial year ended March 31, 2018, subject to approval of members at the ensuing Annual General Meeting.

REDEMPTION OF DEBENTURES

During the year under review 5,000 Non-convertible Debentures of Face Value of Rs. 10,00,000/- (Rupees Ten Lakhs Only) each of Series 1 aggregating upto Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only) have been fully redeemed alongwith Interest thereon in the month of December, 2017.

TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to the reserves of the Company.

DEBENTURE REDEMPTION RESERVES

The Company has transferred an amount of Rs. 833.4 Million from Debenture Redemption Reserve Account to Profit & Loss Account.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. Sudhir Valia, Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing 22nd Annual General Meeting of the Company.

The present term of appointment of Mr. Kalyanasundaram Subramanian as Whole-time Director & Chief Executive Officer (CEO) of the Company is upto February 12, 2019. He has made significant contribution to overall growth to the Company's business. Your Directors recommend the re-appointment of Mr. Kalyanasundaram Subramanian for a further period of 2 (Two) years from February 13, 2019 upto February 12, 2021, at remuneration as proposed for approval of the members at this ensuing 22nd Annual General Meeting of the Company.

Mr. Naresh Chand Singhal was appointed as an Independent Director for a term of 2 (Two) years at the 20th Annual General Meeting of the Company whose term of office was upto 10th February, 2018. Subsequently he was re-appointed as an Additional Independent Director at the Board meeting held on 13th November, 2017 to hold office upto the ensuing 22nd Annual General Meeting. Based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and Board of Directors of the Company at their respective meetings held on May 24, 2018, have approved and recommended re-appointment of Mr. Naresh Chand Singhal as Independent Director for a second term of 5 years commencing from February 11, 2018 upto February 10, 2023 for approval of the members at this ensuing 22nd Annual General Meeting by way of special resolution..

Appropriate resolutions for the appointment/ re-appointment of the Directors are being placed for your approval at the ensuing 22nd Annual General Meeting. Your Directors recommend the appointment/ re-appointment of the aforesaid Directors by the Members at the ensuing Annual General Meeting.

As informed in the previous year's Board's report, Mr. C.S. Muralidharan has been appointed as Chief Financial Officer w.e.f. June 19, 2017 and Mr. Uday Baldota had resigned as Chief Financial Officer w.e.f. June 19, 2017 to assume office as Chief Executive Officer of Taro Pharmaceutical Industries Limited, a subsidiary of the Holding Company, Sun Pharmaceutical Industries Limited.

Further, Mr. C.S. Muralidharan has also been appointed as the Chief Financial Officer of the Holding Company, Sun Pharmaceutical Industries Limited w.e.f. June 19, 2017.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations 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 ("the Act").

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) read with Section 134(3)(c) of the Act 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 March 31, 2018, the applicable accounting standards have been followed and there are no material departures from the same;

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 March 31, 2018 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; and

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 5 (Five) times during the year under review on May 25, 2017, August 10, 2017, September 25, 2017, November 13, 2017 and February 13, 2018. The meeting held on May 25, 2017 was partly adjourned for one agenda item to the next day on May 26, 2017.

The intervening gap between the Meetings was within the period prescribed under the Act.

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	5	4
Mr. Sudhir Valia	5	3
Mr. Sailesh Desai	5	5
Mr. S. Mohanchand Dadha	5	4
Ms. Rekha Sethi	5	5
Mr. Naresh Chand Singhal	5	5

The adjourned Board meeting held on May 26, 2018 was attended by Mr. Sudhir V Valia, Mr. Sailesh T Desai and Ms. Rekha Sethi.

NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee of the Company comprises of four Directors viz. Mr. S Mohanchand Dadha, Mr. Sailesh Desai, Ms. Rekha Sethi and Mr. Naresh Chand Singhal. Mr. Naresh Chand Singhal has been appointed as a member with effect from 24th May, 2018. 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 May 25, 2017, August 10, 2017, November 13, 2017 and February 13, 2018. 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	3
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. The Committee also ensures that the incumbent fulfills such criteria with regard qualifications, positive attributes, independence, age and other criteria as laid down under the Act or other applicable laws.

The Nomination and Remuneration Committee has adopted the criteria as provided in the Guidance Note on Board Evaluation by Securities and Exchange Board of India vide its notification no. SEBI/HO/CFD/CMD/CIR/P2017/004 dated January 5, 2017 for evaluation of the Individual Directors including Independent Directors. The said criteria provides certain parameters such as knowledge, competency, fulfillment of functions, availability and attendance, initiative, integrity, contribution, independence and independent views and judgment.

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for remuneration of Directors & Senior Management which is available on the website of the Company www.spll.co and may be accessed through the web link:

http://www.sunpharma.com/spll/policies

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, 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 criteria for the performance evaluation of the Board, its committees and individual directors based on 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 way of 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, competency of Director, 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 qualification, experience, knowledge and competency, fulfillment of functions, availability and attendance, initiative, integrity, contribution and commitment. etc and the Independent Directors were additionally evaluated on the basis of independence, independent views and judgement etc.

HUMAN RESOURCES

Your Company recognizes 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 organization. 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 7000 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 adopted the 'Global Whistle Blower Policy' of Sun Pharmaceutical Industries Limited (SPIL) applicable to the Company in addition to the existing 'Global Code of Conduct' that governs the actions of its employees of SPIL, 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 (behavior or practices) that affect Company's interest / image. The same is available on the website of the Company i.e. http://www.sunpharma.com/spll/policies.

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 harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made 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 at the manufacturing sites & Registered Office during the year under review. The Company has submitted the Annual returns to the local authorities under the above mentioned act. During the financial year ended 31st March 2018, no complaints pertaining to sexual harassment was received by the Company.

AUDIT COMMITTEE COMPOSITION

The Audit Committee of the Company comprises of four Directors viz. Mr. S. Mohanchand Dadha, Mr. Sudhir V. Valia, Ms. Rekha Sethi and Mr. Naresh Chand Singhal. The constitution of Audit Committee meets with the requirements as laid down under Section 177 of the Act. 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 May 25, 2017, August 10, 2017, November 13, 2017 and February 13, 2018. 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	3
Mr. Sudhir V. Valia	Member	4	2
Ms. Rekha Sethi	Member	4	4
Mr. Naresh Chand Singhal	Member	4	4

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') as prescribed in form MGT-9 is enclosed as **“Annexure B”** to this report.

AUDITORS

STATUTORY AUDITORS

S R B C & Co LLP, Chartered Accountants, (Firm Registration No. 324982E/E300003), were appointed as the Statutory Auditors of the Company for a period of 5(Five) years at the 21st Annual General Meeting of the Company to hold office till 26th Annual General Meeting of the Company.

The Auditors’ Report for the financial year ended March 31, 2018, has been issued with an unmodified opinion, by the Statutory Auditors.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act 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 for the financial year ended March 31, 2018. The Secretarial Audit Report in the Form no. MR-3 for the year is annexed herewith as **“Annexure C”** to this report**.** The Secretarial Audit Report for the year 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 business of your Company for the Year 2018-19.

SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards as amended from time to time.

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 year under review with the related parties were in the ordinary course of business and on an arm’s length basis.

As required under Section 134(3)(h) of the Act, details of transactions entered with Related Parties under the Act exceeding ten percent of the annual consolidated turnover as per the last audited financial statements are given in Form AOC-2 provided as “Annexure D” to this report.

INTERNAL FINANCIAL CONTROLS

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

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors have constituted the Corporate Social Responsibility (CSR) Committee of the Company. The Corporate Social Responsibility Committee 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 two (2) times during the previous financial year on May 25, 2017 and August 10, 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. Sudhir V. Valia	Chairman	2	1
Ms. Rekha Sethi	Member	2	2
Mr. Kalyanasundaram Subramanian	Member	2	1

During the year under review, the Board of Directors have approved certain amendments in CSR policy pertaining to the projects and CSR activities to be undertaken by the Company. 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 through the weblink: http://www.sunpharma.com/spll/policies.

The Company has increased their spending on CSR as compared to last year and has exceeded the amount required to be spent on CSR for the financial year 2017-18. During the year, the Company has spent Rs. 182.65 Million as against Rs. 149.37 Million which the Company was required to spend as per the prescribed CSR expenditure of 2% of the average net profit for the last three financial years as per the Act.

The annual report on Corporate Social Responsibility activities containing details of activities undertaken and expenditure incurred thereon by the Company and brief details on the CSR activities are provided in **"Annexure E"** to this report.

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

There are no significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status of the Company's operation in future.

PUBLIC DEPOSITS

The Company has not accepted any deposit from the Public during the year under review, under the provisions of the Act 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 as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **"Annexure F"** to this report.

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 part of this Annual Report.

The highlights of performance of subsidiaries, joint ventures 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. During the year under review, there are no companies which have become/ ceased to be subsidiaries.

CONSOLIDATED ACCOUNTS

The consolidated financial statements for the year ended March 31, 2018 has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

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. Further CRISIL Limited has assigned the highest credit rating of 'CRISIL A1+' for the 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 professionals and business associates for their continued support and valuable cooperation.

For and on behalf of the Board of Directors

Mr. Kalyanasundaram Subramanian	**Sudhir V. Valia**
Whole-Time Director & CEO (00179072)	**Director (00005561)**

Place: Mumbai
Date: 24th May, 2018

ANNEXURE A

INFORMATION REQUIRED UNDER SECTION 197 OF THE ACT 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 2017-18 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18:**

Name of Director and Key Managerial Personnel	**Designation**	**Ratio of remuneration* of each Director to median remuneration of employees**	**% increase / (decrease) in Remuneration in the Financial Year 2017-18**
Mr. Sudhir V. Valia	Non-Executive	0.25	(40.00)
Mr. Sailesh T. Desai	Non-Executive	0.38	12.50
Mr. S. Mohanchand Dadha	Non-executive, Independent Director	0.46	(15.38)
Mr. Naresh Chand Singhal	Non-executive, Independent Director	0.42	42.86
Ms. Rekha Sethi	Non-executive, Independent Director	0.67	6.67
Mr. Kalyanasundaram Subramanian	Whole-Time Director & Chief Executive Officer	80.43	0.00
Mr. Uday Baldota **	Chief Financial Officer	Not applicable	Not applicable
Mr. C. S. Muralidharan***	Chief Financial Officer	Not applicable	Not applicable
Ms. Rachana Kokal	Company Secretary	Not applicable	8.70

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

**Mr. Uday Baldota resigned as Chief Financial Officer with effect from 19th June, 2017 and is not paid any remuneration from the Company.

***Mr. C. S. Muralidharan appointed as Chief Financial Officer with effect from 19th June, 2017 and is not paid any remuneration from the Company.

(ii) **the percentage increase in the median remuneration of employees in the financial year 2017-18:** 2.61%

(iii) **the number of permanent employees on the rolls of Company as on 31st March, 2018:** 7005

(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: 12.50%
Average percentage increase in salary of Key Managerial Personnel: 4.35% (Remuneration (Cost to the Company) has been considered on annualized basis.)

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

Note: All the details of remuneration given above are as per cost to the Company, 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: Mumbai
Date: 24th May, 2018

ANNEXURE B
FORM MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2018

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

I	**REGISTRATION AND OTHER DETAILS:**	
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 - 400063 Contact no: 022-43244324
vi	Whether listed company:	Yes (Debt securities)
vii	Name , Address , and Contact details of Registrar and Transfer Agent:	For Debt securities - Link Intime (India) Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000

II PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company:

Sr.no	Name and Description of main products/services	NIC code of the Product/ Service	% to total turnover of the Company
1	Pharmaceuticals	210	98.05

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr.No	Name of the Company	Sun House, Plot No. 201 B/1, Western Express	CIN/GLN	Holding/ Subsidiary/ Associate	% of equity shares held	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)
6	Sun Pharma Holdings*	Mauritius	N.A.	Associate	0.01*	2(6)

* Proportion of Ownership Interest does not include ownership interest held by the Company through Optionally Convertible Preference Shares issued by Sun Pharma Holdings

IV 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 year
		Demat	Physical	Total	% of Total Shares	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	0	0	0	0	
b)	Central Government/ State Government	0	0	0	0	0	0	0	0	
c)	Bodies Corporate	0	50000*	50000*	100%	0	50000*	50000*	100%	
d)	Financial Institutions/ Bank	0	0	0	0	0	0	0	0	
e)	Any other	0	0	0	0	0	0	0	0	
Sub total (A) (1)		0	50000*	50000*	100%	0	50000*	50000*	100%	
2)	**Foreign**	0	0	0	0	0	0	0	0	
a)	Individuals (NRIs)	0	0	0	0	0	0	0	0	
b)	Other Individuals	0	0	0	0	0	0	0	0	NIL
c)	Bodies Corporate	0	0	0	0	0	0	0	0	
d)	Financial Institutions/ Bank	0	0	0	0	0	0	0	0	
e)	Any other	0	0	0	0	0	0	0	0	

Sub total (A)(2)		0	0	0	0	0	0	0	0	
Total shareholding of Promoter & Promoter group (A)=(A)(1)+(A)(2)		0	50000*	50000*	100%	0	50000*	50000*	100%	
(B)	**Public Shareholding**	0	0	0	0	0	0	0	0	
1)	**Institutions**	0	0	0	0	0	0	0	0	
a)	Mutual Funds	0	0	0	0	0	0	0	0	
b)	Financial Institutions/ Bank	0	0	0	0	0	0	0	0	
c)	Central Government/ State	0	0	0	0	0	0	0	0	
d)	Venture Capital Funds	0	0	0	0	0	0	0	0	
e)	Insurance Companies	0	0	0	0	0	0	0	0	
f)	FIIs	0	0	0	0	0	0	0	0	
g)	Foreign Venture Capital	0	0	0	0	0	0	0	0	
h)	Qualified Foreign Investors	0	0	0	0	0	0	0	0	
i)	Any other	0	0	0	0	0	0	0	0	
Sub total (B)(1)		0	0	0	0	0	0	0	0	
2)	**Non- Institutions**	0	0	0	0	0	0	0	0	
a)	Bodies Corporate	0	0	0	0	0	0	0	0	
i)	Indian	0	0	0	0	0	0	0	0	
ii)	Overseas	0	0	0	0	0	0	0	0	
b)	Individuals	0	0	0	0	0	0	0	0	
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	
c)	Others (specify)	0	0	0	0	0	0	0	0	
i)	Non Resident Indians (Repat)	0	0	0	0	0	0	0	0	

ii)	Non Resident Indians (Non-Repat)	0	0	0	0	0	0	0	0	
iii)	Qualified Foreign Investors	0	0	0	0	0	0	0	0	
iv)	Clearing Member	0	0	0	0	0	0	0	0	
v)	Directors/	0	0	0	0	0	0	0	0	
vi)	Trusts	0	0	0	0	0	0	0	0	
vii)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	
viii)	Overseas Corporate Bodies	0	0	0	0	0	0	0	0	
ix)	Foreign Nationals	0	0	0	0	0	0	0	0	
Sub total (B) (2)		0	0	0	0	0	0	0	0	
Total Public shareholding Public Group (B)= (B)(1)+(B)(2)		0	0	0	0	0	0	0	0	
(C) Shares held by Custodian for GDRs & ADRs		0	0	0	0	0	0	0	0	
GRAND TOTAL (A)+(B)+(C)		0	50000*	50000*	100%	0	50000*	50000 *	100%	

* 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**			**Shareholding 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%	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 equity etc):	**No Changes**			
	At the end of the year	N.A	N.A	50000	100%

*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 / sweat equity etc):	**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 Company**	**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 equity etc):	**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 Company**	**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%

*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	-	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**
Change in Indebtedness during the financial year				
Addition: Principal Amount (3)	-	41335.9		41335.9
Reduction: Principal Amount (3)	-	35500.0	0.5	35500.5
Reduction: Interest accrued but not due (1)	-	111.2		111.2
Net Change	**-**	**5724.7**	**(0.5)**	**5724.2**
Indebtedness at the end of the financial year				
i) Principal Amount	-	18818.3	18.9	18837.2
ii) Interest due but not paid	-			
iii) Interest accrued but not due (1)	-	104.1		104.1
Total (i+ii+iii)	**-**	**18922.4**	**18.9**	**18941.3**

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.

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. Kalyanasundaram Subramanian Whole-time Director and CEO	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income- tax Act,1961	48172592	48172592
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	39600	39600
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	0.00
2	Stock Option	0.00	0.00

3	Sweat Equity	0.00	0.00
4	Commission as a % of profit	0.00	0.00
5	Others, please specify	0.00	0.00
Total (A)		**48212192**	**48212192**
Ceiling limit as per the Act		**Rs. 57.9 Crore, computed as per Section 197(1) of the Act for the financial year 2017-18**	

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. S. Mohanchand Dadha	**Ms. Rekha Sethi**	**Mr. Naresh Chand Singhal**	**Mr. Sudhir Valia**	**Mr. Sailesh Desai**	
	Independent Directors						
1	Fee for attending board committee meetings	275000	400000	250000	0	0	**925000**
	Commission	0	0	0	0	0	**0**
	Others, please specify	0	0	0	0	0	**0**
Total (1)		**275000**	**400000**	**250000**	**0**	**0**	**925000**
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	0	0	0	150000	225000	**375000**
	Commission	0	0	0	0	0	**0**
	Others, please specify	0	0	0	0	0	**0**
Total (2)		**0**	**0**	**0**	**150000**	**225000**	**375000**
Total (B)=(1+2)		**275000**	**400000**	**250000**	**150000**	**225000**	**13,00,000**
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)		**4,95,12,192**					

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*	Mr. C. S. Muralidharan CFO**	Ms. Rachana Kokal Company Secretary	Total
1	Gross salary	NIL	NIL		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			1020062	**1020062**
	(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			0	**0**
3	Sweat Equity			0	**0**
4	Commission as % of profit			0	**0**
5	Others, please specify			0	**0**
Total				**1020062**	**1020062**

*Resigned with effect from 19th June, 2017

**Appointed with effect from 19th June, 2017

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	NIL				
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Kalyanasundaram Subramanian	**Sudhir V. Valia**
Whole-Time Director & CEO (00179072)	**Director (00005561)**

Place: Mumbai
Date: 24th May, 2018

ANNEXURE C

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018.
[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, 2018**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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. 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. Majority decision is carried through while the dissenting member's view, if any, are captured and recorded as part of the minutes.

Based on the information received and records maintained, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on the basis of the representations made by the respective plant heads, the Company has identified and complied with the following laws applicable to the Company:

- Drugs and Cosmetics Act, 1940;
- Factories Act, 1948.

We further report that, during the period under review, the Company has redeemed 5,000 (Five Thousand) Rated, Unsecured, Listed, Redeemable, Non-convertible Debentures having face value of Rs. 10,00,000/- (Rupees Ten lacs only) each aggregating up to Rs. 5,00,00,00,000/- (Rupees Five Hundred crores only) on 22nd December, 2017.

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

Chintan J. Goswami
Proprietor
Mem No. - 33697
C. P. No. - 12721
Date: 24th May, 2018
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 SECRETARIAL AUDIT REPORT

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 obtain reasonable 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: 24th May, 2018
Place: Mumbai.

Annexure - D

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 ("the Act") and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis – NIL**

2. **Details of material contracts or arrangement or transactions (i.e. exceeding ten percent of the annual consolidated turnover as per the last audited financial statements) at arm's length basis**

Sr. No.	**Name(s) of the related party and nature of relationship**	**Nature of contracts/ arrangements/ transactions**	**Duration of the contracts/ arrangements / transactions**	**Salient terms of the contracts/ arrangements / transactions including the value, if any**	**Date(s) of approval by the Board, if any:**	**Amount paid as advances, as on March 31, 2018, if any:**
1.	Sun Pharmaceutical Industries Limited ("SPIL", Holding Company)	Purchase of goods, property and plant & equipment and investments, Sale of goods, property, plant & equipment, Dividend paid, Receiving and Rendering of Service, Reimbursement of expenses paid and expenses received, Loan given and received back, Interest income and Rent paid	On-going	The related party transactions (RPT's) entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the financial year 2017-18 was **Rs. 74,666.4 Million***	Since these transactions are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable.	Nil

*the threshold limit for related party transactions (all types of transactions combined together) with SPIL for the purpose of this disclosure is treated at 10% of the annual consolidated turnover of the Company, in line with the materiality policy of SPIL, Holding Company

For and on behalf of the Board of Directors

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

Sudhir V. Valia
Director (00005561)

Place:Mumbai
Date: 24th May, 2018

ANNEXURE E

Annual Report on CSR activities for the financial year 2017-18

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, sanitation, rural development, 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:	http://www.sunpharma.com/spll/policies
Composition of the CSR Committee:	Mr. Sudhir V. Valia (Chairman of the committee), Mr. Kalyanasundaram Subramanian and Ms. Rekha Sethi
Average net profit of the Company for last three financial years:	Rs. 7468.58 Million
Prescribed CSR Expenditure (two percent of the amount as in item above):	Rs. 149.37 Million
Details of CSR spend for the financial year:	
a)Total amount spent for the financial year:	Rs. 182.65 Million
b)Amount unspent, if any:	Nil

Rs. in 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	Amount spent Directly or through implementing agency
					Direct Expenditure on projects or programs	Overhead Expenditure		
1	Swades Model Village Development Project	Rural Development under Item No. (x)	Mahad, Mangaon,Mhasla, Tala,Poladpur,Shrivardhan District - Raigadh, State-Maharashtra	250.00	50.00	-	50.00	Implementing Agency
2	Promoting Multidisciplinary Education Model in India	Education under Item No.(II)	District - Sonepat State – Haryana	50.00*	50.00	-	50.00	Implementing Agency
3	Malaria Eradication Demonstration Project	Healthcare under Item No.(I)	Mandla District (Madhya Pradesh)	500.00	42.75	-	42.75	Implementing Agency
4	Support towards setting-up of Cancer Sanatorium	Healthcare under Item No.(I)	Wadala (Mumbai, Maharashtra)	20.00*	20.00	-	64.55	Implementing Agency

	Institute and Eye Hospital							
5	Infrastructural Upgradation at Nehru Centre for Educational Awareness	Education under Item No.(II)	Worli (Mumbai, Maharashtra)	10.00*	10.00	-	10.00	Implementing Agency
6	Treatment of neo-natal, infants and general disadvantaged patients	Healthcare under Item No.(I)	Ahwa Dang (Gujarat)	3.35*	3.35	-	3.35	Implementing Agency
7	Disaster Support Programme	Disaster Relief under Item No. (I)	Banaskantha (Gujarat)	2.50*	2.50	-	2.54	Implementing Agency
8	Cataract Surgery Programme	Healthcare under Item No.(I)	Pan India	1.50*	1.50	-	3.00	Implementing Agency
9	Educational Programme	Education under Item No.(II)	Jammu (Jammu & Kashmir) and Chhota Singtam (East Sikkim)	0.70*	0.69	0.0048	12.90	Directly
10	Sanitation programme	Promotion of Sanitation under Item No. (i)	Jammu (Jammu & Kashmir), Mumbai (Maharashtra)	0.50*	0.50	-	0.50	Implementing Agency and Directly
11	Comprehensive Medical Care for Poor and Marginalised Community	Healthcare under Item No.(I)	Kozhikode (Kerala)	0.50*	0.50	-	1.00	Implementing Agency
12	Renovation of Community Hall	Rural Infrastructure Upgradation under Item No. (x)	Gangtok (East Sikkim)	0.45*	0.45	-	0.45	Directly
13	Mobile Medical Unit	Healthcare under Item No.(I)	Ranipool (Sikkim)	9.04	0.35	0.0070	8.61	Implementing Agency
14	Healthcare Programme	Healthcare under Item No.(I)	East District, Sikkim	0.04*	0.04	-	0.04	Directly
				Total	**182.636**	**0.0119**	-	
				Grand Total	**182.647**			

* project outlay which are budgeted on per annum basis

The CSR Committee confirms 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

Kalyanasundaram Subramanian **Sudhir V. Valia**
Whole-Time Director & CEO (00179072) **Director (00005561)**
Place: Mumbai
Date: 24th May, 2018

ANNEXURE F

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:

- Independent Power Line from Grid to stop frequent load shedding
- Install analog timer switch to control lighting power consumption
- Install LED Lights for lighting load reduction

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. 130 lakhs is spent on energy conservation equipments.

II TECHNOLOGY ABSORPTION-

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

The Company continues to invest in latest generation technologies for developing new products.

The Company focuses on developing novel 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**

- Launched 19 new products in the domestic formulations market in FY18.

- 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, 2018**	**Year ended 31st March, 2017**
Earnings	0	0
Outgo	383.57	2162.3

IV The expenditure incurred on Research and Development: Nil

For and on behalf of the Board of Directors

Kalyanasundaram Subramanian
Whole-Time Director & CEO (00179072)

Sudhir V. Valia
Director (00005561)

Place: Mumbai
Date: 24th May, 2018

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 March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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. 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, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 25, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of 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 Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 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.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Ravi Bansal
Partner
Membership Number: 49365

Place of Signature: Mumbai
Date: May 24, 2018

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Sun Pharma Laboratories Limited ('the Company')

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management the title deeds of immovable properties included in property, plant and equipment are held in the name of the company except as follows:

Particulars	Gross block (Amount in Rs. Million)	Net Block (Amount in Rs. Million)	Remarks
Freehold land located at Guwahati, Assam	37.9	37.9	The registered sale deeds are in the name of Sun Pharma Sikkim (Partnership Firm) which was 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 Hon'ble High Court of Bombay.
Freehold land located at Chennai, Tamil Nadu	0.3	0.3	The registered sale deeds are in the name of Sun Pharmaceutical Industries (Partnership Firm) which was 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 Hon'ble High Court of Bombay.
Leasehold land located at Gangtok, Sikkim	74.6	72.6	The lease agreements are in the name of Sun Pharma Sikkim (Partnership Firm) which was 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 Hon'ble High Court of Bombay.

Leasehold land located at Gangtok, Sikkim	35.8	34.7	The lease agreements are 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 Hon'ble High Court of Bombay.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2018 and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) The Company has granted loans to two companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) The Company has granted loans that are re-payable on demand, to companies covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.

(c) There is no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of loans and advances given, investments made guarantees and securities given have been complied with by the Company. There are no loans given in respect of which provisions of section 185 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of pharmaceutical products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount* (Rs. in Million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax, Interest and Penalty	0.5	AY 2012-13	Income Tax Appellate Tribunal (ITAT)
		4,671.8	AY 2010-11 & 2011-12	Income Tax Appellate Tribunal (ITAT)
		3,659.7	AY 2013-14 to 2015-16	Commissioner (Appeals)
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	4.7	2005-06, 2012-13 & 2013-14	Commissioner (Appeals)
		403.9	2004-05 to 2015-16	Tribunal
		1,003.4	2012-13 to 2015-16	High Court
		32.6	2005-06 to 2007-08	Supreme Court

* Net of amount paid / adjusted under protest

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to any banks or financial institutions or debenture holders. The Company did not have any loans or borrowings from Government during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Ravi Bansal
Partner
Membership No.: 49365

Place of Signature: Mumbai
Date: May 24, 2018

Annexure 2 to the Independent Auditor's Report of even date on the standalone financial statements of Sun Pharma Laboratories Limited

Report on the Internal Financial Controls 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 March 31, 2018 in conjunction with our audit of the standalone 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 the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2018, 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 S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Ravi Bansal
Partner
Membership Number: 49365

Place of Signature: Mumbai
Date: May 24, 2018

SUN PHARMA LABORATORIES LIMITED ₹ in Million

STANDALONE BALANCE SHEET AS AT MARCH 31, 2018

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	11,298.1	9,697.0
(b) Capital work-in-progress		2,115.3	2,200.8
(c) Intangible assets	4	91,791.2	107,033.5
(d) Investments in subsidiaries	5	15.0	15.0
(e) Investments in associates	6	83,010.0	70,625.6
(f) Financial assets			
(i) Investments	7	645.3	654.8
(ii) Loans	8	2,540.9	3.2
(iii) Other financial assets	9	158.3	145.1
(g) Income tax assets (Net)	10	4,320.3	4,508.1
(h) Other non-current assets	11	1,218.6	929.2
Total non-current assets		197,113.0	195,812.3
(2) Current assets			
(a) Inventories	12	4,596.3	4,993.0
(b) Financial assets			
(i) Investments	13	4,756.5	1,675.5
(ii) Trade receivables	14	9,039.7	6,236.9
(iii) Cash and cash equivalents	15	8.2	9.6
(iv) Bank balances other than (iii) above	16	20.5	26.2
(v) Loans	17	7,571.4	9,614.4
(vi) Other financial assets	18	2,100.0	32.3
(c) Other current assets	19	2,528.7	1,598.9
Total current assets		30,621.3	24,186.8
TOTAL ASSETS		227,734.3	219,999.1
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	20	0.5	0.5
(b) Other equity	21	196,823.2	197,557.3
Total equity		196,823.7	197,557.8
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	-	5,358.8
(b) Provisions	23	392.5	556.7
(c) Deferred tax liabilities (Net)	50	559.3	207.1
Total non current liabilities		951.8	6,122.6
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	13,818.3	2,982.4
(ii) Trade payables	25	6,916.8	4,858.8
(iii) Other financial liabilities	26	5,752.9	5,687.2
(b) Other current liabilities	27	1,360.2	441.3
(c) Provisions	28	2,110.6	2,349.0
Total current liabilities		29,958.8	16,318.7
Total liabilities		30,910.6	22,441.3
TOTAL EQUITY AND LIABILITIES		227,734.3	219,999.1

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

As per our report of even date

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

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration no:324982E/E300003

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Director

per RAVI BANSAL
Partner
Membership No. 49365
Mumbai, May 24, 2018

RACHANA N. KOKAL
Company Secretary

SAILESH T. DESAI
Director

KALYANASUNDARAM SUBRAMANIAN
Whole time Director & CEO

Mumbai, May 24, 2018

SUN PHARMA LABORATORIES LIMITED ₹ in Million

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
(I) Revenue from operations	29	52,112.7	53,228.9
(II) Other income	30	2,585.2	2,286.5
(III) Total income (I + II)		54,697.9	55,515.4
(IV) Expenses			
Cost of materials consumed	31	7,806.1	9,319.3
Purchase of stock-in-trade		3,855.2	3,511.2
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	615.1	782.3
Employee benefits expense	33	5,743.6	4,855.5
Finance costs	34	1,332.0	1,476.3
Depreciation and amortisation expense	3 & 4	16,112.1	15,969.8
Other expenses	35	7,651.4	9,910.0
Total expenses (IV)		43,115.5	45,824.4
(V) Profit before tax (III-IV)		11,582.4	9,691.0
(VI) Tax expense:	36		
Current tax		2,510.0	2,100.0
Deferred tax		310.2	6.7
Total tax expense (VI)		2,820.2	2,106.7
(VII) Profit for the year (V - VI)		8,762.2	7,584.3
(VIII) Other comprehensive income			
a) Items that will not be reclassified to the statement of profit and loss			
(i) Remeasurements gain / (loss) on defined benefit plans		129.6	(163.6)
(ii) Income Tax Effect		(45.3)	56.6
b) Items that will be reclassified to the statement of profit and loss			
(i) Net loss on Debt Instruments through Other Comprehensive Income;		(9.5)	-
(ii) Income Tax Effect		3.3	-
Total other comprehensive income (net of taxes) (VIII)		78.1	(107.0)
(IX) Total comprehensive income for the year (net of taxes) (VII+VIII)		8,840.3	7,477.3
Earnings per equity share (face value per equity share - ₹ 10)	44		
Basic and Diluted (in ₹)		173,318	150,724

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

As per our report of even date

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

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration no:324982E/E300003

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Director

per RAVI BANSAL
Partner
Membership No. 49365
Mumbai, May 24, 2018

RACHANA N. KOKAL
Company Secretary

SAILESH T. DESAI
Director

KALYANASUNDARAM SUBRAMANIAN
Whole time Director & CEO

Mumbai, May 24, 2018

SUN PHARMA LABORATORIES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

₹ in Million

Particulars	Equity share capital	Other equity						Other Comprehensive Income (OCI)	Total Equity
		Equity component of compound financial instrument	Reserve and surplus					Fair value through Other comprehensive Income reserve	
			Capital reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings			
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
Profit for the year	-	-	-	-	-	8,762.2		-	8,762.2
Other comprehensive income for the year	-	-	-	-	-	** 84.3		(6.2)	78.1
Total comprehensive income for the year	-	-	-	-	-	8,846.5		(6.2)	8,840.3
Payment of dividends - Equity Shareholders	-	-	-	-	-	(7,875.0)		-	(7,875.0)
Payment of dividends - Preference Shareholders	-	-	-	-	-	(80.0)		-	(80.0)
Corporate dividend tax	-	-	-	-	-	(1,619.4)		-	(1,619.4)
Transfer to debenture redemption reserve	-	-	-	-	(833.4)	833.4		-	-
Balance as at March 31, 2018	0.5	141.2	185,654.3	# 0.0	1,250.0	9,783.9		(6.2)	196,823.7

(#) ₹ 10,000
** Remeasurements gain/(loss) on defined benefit plans
The accompanying notes are an integral part of the standalone financial statements
As per our report of even date

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

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration no:324982E/E300003

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Director

per RAVI BANSAL
Partner
Membership No. 49365
Mumbai, May 24, 2018

RACHANA N. KOKAL
Company Secretary

SAILESH T. DESAI
Director

KALYANASUNDARAM SUBRAMANIAN
Wholetime Director & CEO

Mumbai, May 24, 2018

SUN PHARMA LABORATORIES LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash flow from operating activities		
Profit before tax	**11,582.4**	9,691.0
Adjustments for:		
Depreciation and amortisation expense	**16,112.1**	15,969.8
Impairment losses on property, plant and equipment recognised in statement of profit and loss	**-**	203.6
Loss on sale of property, plant and equipments (net)	**1.1**	3.3
Finance Costs	**1,332.0**	1,476.3
Interest Income	**(2,243.0)**	(1,911.3)
Gain on sale of financial assets measured at fair value through profit or loss	**(138.2)**	(337.9)
Net Gain arising on financial assets measured at fair value through profit or loss	**(6.0)**	(10.9)
Allowance for doubtful debts	**(10.1)**	9.0
Net unreliased foreign exchange (gain) / loss	**(6.0)**	5.1
Operating profit before working capital changes	**26,624.3**	25,098.0
Movements in working capital:		
Decrease in inventories	**396.7**	448.5
(Increase) in trade receivables	**(2,792.7)**	(2,421.1)
(Increase) in other assets	**(2,299.2)**	(1,062.9)
Increase in trade payables	**2,064.2**	1,054.6
Increase /(decrease) in provisions	**(273.0)**	703.7
Increase in other liabilities	**862.7**	95.9
Cash generated from operations	**24,583.0**	23,916.7
Net income tax paid	**(2,322.3)**	(2,508.5)
Net cash generated by operating activities (A)	**22,260.7**	21,408.2
B. Cash flow from investing activities		
Payment for purchase of property, plant and equipment (including capital work-in-progress) and intangible assets	**(3,564.9)**	(3,732.2)
Proceeds from disposal of property, plant and equipment and intangible assets	**19.1**	62.9
Receipt of rental on fixed assets given under finance lease	**-**	10.6
Purchase of investments		
Subsidiary	**-**	(2.5)
Associate	**(12,384.4)**	(32,318.4)
Others	**(160,595.5)**	(210,023.0)
Proceeds from sale of investments		
Others	**157,658.7**	214,921.9
Inter corporate deposit given		
Holding company	**(28,110.5)**	(9,200.0)
Subsidiary	**(1,016.6)**	(31.6)
Others	**(5,654.1)**	(5,970.0)
Inter corporate deposits received back		
Holding company	**22,643.5**	17,220.0
Subsidiary	**46.7**	-
Others	**12,164.5**	6,721.2
Investment in bank deposits (having original maturity of more than 3 months)	**5.7**	1.8
Interest received	**1,674.7**	1,918.4
Net cash (used in) investing activities (B)	**(17,113.1)**	(20,420.9)

SUN PHARMA LABORATORIES LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash flow from financing activities		
Repayment of non-current Borrowings	**(5,000.0)**	-
Proceeds from working capital borrowings	**40,727.0**	38,336.1
Repayment of working capital borrowings	**(29,919.1)**	(35,381.7)
Finance costs paid	**(1,382.5)**	(1,420.1)
Dividends paid	**(7,955.0)**	(2,040.0)
Tax on dividend paid	**(1,619.4)**	(415.3)
Net cash (used in) financing activities (C)	**(5,149.0)**	(921.0)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(1.4)**	66.3
Cash and cash equivalents at the beginning of the year	**9.6**	(56.7)
Cash and cash equivalents at the end of the Year	**8.2**	9.6

Notes:	As at March 31, 2018	As at March 31, 2017
A Cash and cash equivalents comprises of		
Balances with banks in current account	**7.2**	8.0
Cash on hand	**1.0**	1.6
Cash and cash equivalents (Refer note 15)	**8.2**	9.6
Cash and cash equivalents in cash flow statement	**8.2**	9.6

B For changes in liabilities arising from financing activities as requried under IND AS 7, refer note 37

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

As per our report of even date

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

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration no. 324982E/E300003

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Director

per RAVI BANSAL
Partner
Membership No. 49365
Mumbai, May 24, 2018

RACHANA N. KOKAL
Company Secretary

SAILESH T. DESAI
Director

KALYANASUNDARAM SUBRAMANIAN
Whole time Director & CEO

Mumbai, May 24, 2018

1. General information

Sun Pharma Laboratories Limited ("the Company") is a public limited company incorporated and domiciled in India and has its listing Wholesale - Debt segment of the BSE Limited. The Registered office of the Company is located at Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (East) Mumbai 400063. The Company is in the business of manufacturing, producing, developing and marketing a wide range of branded and generic formulations. The Company has various manufacturing locations spread across the country with trading and other incidental and related activities.

The standalone financial statement were authorised for issue in accordance with a resolution of the directors on May 24, 2018.

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, 2018 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2017.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis, except for:

(i) certain financial instruments that are measured at fair values at the end of each reporting period;

(ii) Non-current assets classified as held for sale which are measured at the lower of their carrying amount and fair value less costs to sell; and

(iii) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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. Current vs Non-current

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

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

The Company classifies all other liabilities as non-current.

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

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

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 measured using the exchange rates at the date of initial transaction.

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.

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.

Assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

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

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

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

Depreciation is recognised on the cost of assets (other than freehold land and Capital work-in-progress) less their residual values on straight-line method over their useful lives 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
Buildings other than Factory 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.

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

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

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

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

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

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

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

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 non financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

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

An impairment loss is recognised in the profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated 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 date the company commits to purchase or sale the financial assets.

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

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

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').

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

Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading 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 financial assets or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The 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.

The companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is 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 financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For instruments not -held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/ loss are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the 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 if, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. If not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

Derecognition

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

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 assets 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. 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, stores and spares and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method.

Costs of raw materials and packing materials, stock-in-trade, stores and spares includes cost of purchases and other costs incurred in bringing the inventories to its present location and condition.

Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

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

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

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

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of goods, it is probable that the economic benefit will flow 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. The Company is principal in all of its revenue arrangements, since it is the primary obligor in all of the revenue arrangements, as it has pricing latitude and is exposed to inventory and credit risks.

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

Sales Returns

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

Rendering of Services

Revenue from services rendered is recognised in the 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.

Royalties

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

Dividend and interest income

Dividend income is recognised when the 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, the Company deducts such grant amount from the carrying amount of the asset.

o. Employee benefits

Defined benefit plans

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

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

Termination benefits

Termination benefits are recognised as an expense at the earlier of the date when the 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

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

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

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

p. Borrowing cost

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

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 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.

r. 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, 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 and not early adopted by the Company

Ind AS 115 Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs ("MCA") has notified Ind AS 115, Revenue from Contracts with Customers, which is effective for accounting periods beginning on or after 1 April 2018. This comprehensive new standard will supersede existing revenue recognition guidance, and requires an entity to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.
Ind AS 115 is effective for annual reporting periods beginning on or after 1 April 2018.

The Company intends to adopt Ind AS 115 effective 1 April 2018, using the modified retrospective method. The Company is evaluating the requirements of the standard and its impact on its financials.

Other Amendments:

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

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

The amendments are effective 1 April 2018. The Company believes that the aforementioned amendments will not materially impact the financial position, performance or the cash flows of the Company.

Amendments to Ind AS 7 *Statement of Cash Flows:*

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for the current period in Note 37. Since amendment is effect from April 1, 2017, no comparative period information is required.

NOTE : 3
PROPERTY, PLANT AND EQUIPMENT

₹ in Million

Particulars	Freehold land	Leasehold land	Buildings	Plant and Equipment	Furniture and fixtures	Vehicles	Office equipments	Total
At cost or deemed cost								
As at April 01, 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
Additions	-	-	374.2	1,954.6	22.8	15.6	43.4	2,410.6
Disposals	-	-	-	(23.1)	-	(4.5)	(3.4)	(31.0)
As at March 31, 2018	38.1	134.4	6,203.6	6,546.0	197.4	83.7	321.5	13,524.7
Accumulated depreciation and impairment								
As at April 01, 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 (Refer note iii)	-	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
Depreciation expense	-	1.1	165.2	504.2	20.4	16.7	81.6	789.2
Eliminated on disposals of assets	-	-	-	(5.2)	-	(2.5)	(3.0)	(10.7)
As at March 31, 2018	-	16.7	497.7	1,411.0	49.2	34.3	217.7	2,226.6
Carrying amount								
As at March 31, 2017	38.1	118.8	5,496.9	3,702.5	145.8	52.5	142.4	9,697.0
As at March 31, 2018	38.1	117.7	5,705.9	5,135.0	148.2	49.4	103.8	11,298.1

Footnotes:

(i) Building includes ₹ 1.8 Million (Previous Year ₹ 1.8 Million) and ₹ 1,772.0 Million (Previous Year ₹ 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.

NOTE : 4
INTANGIBLE ASSETS

Other than internally generated

₹ in Million

Particulars	Product related intangibles
At cost or deemed cost	
As at April 01, 2016	137,669.1
Additions	-
Disposals	(63.5)
As at March 31, 2017	**137,605.6**
Additions	80.6
Eliminated on disposals of assets	-
As at March 31, 2018	**137,686.2**
Accumulated amortisation and impairment	
As at April 01, 2016	15,270.2
Amortisation expense	15,312.9
Eliminated on disposals of assets	(11.0)
As at March 31, 2017	**30,572.1**
Amortisation expense	15,322.9
Eliminated on disposals of assets	-
As at March 31, 2018	**45,895.0**
Carrying amount	
As at March 31, 2017	**107,033.5**
As at March 31, 2018	**91,791.2**

Footnotes

(i) The aggregate amortisation has been included under depreciation and amortisation expenses in the standalone Statement of Profit and Loss.

NOTE : 5
INVESTMENTS IN SUBSIDIARIES (NON-CURRENT)

Particulars	As at March 31, 2018		As at March 31, 2017	
	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
Sun Pharmaceutical Medicare Limited				
Shares of ₹ 10 each fully paid	250,000	2.5	250,000	2.5
		15.0		15.0
Aggregate amount of investments before impairment		15.0		15.0
Aggregate amount of impairment in the value of investments		-		-

NOTE : 6
INVESTMENTS IN ASSOCIATES (NON-CURRENT)

Particulars	As at March 31, 2018		As at March 31, 2017	
	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	1,200,000,000	82,694.1	1,025,000,000	70,309.7
5% Optionally Convertible Preference Shares of USD 1 each fully paid				
Limited Liability Partnership				
Generic Solar Power LLP				
[₹ 28,760 (As at March 31, 2017 ₹ 28,760)]		0.0		0.0
Trumpcard Advisors and Finvest LLP		312.5		312.5
		312.5		312.5
		83,010.0		70,625.6
Aggregate amount of investments before impairment		83,010.0		70,625.6
Aggregate amount of impairment in the value of investments		-		-

NOTE : 7
INVESTMENTS (NON-CURRENT)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
Investments in Debentures / Bonds				
Quoted (At FVTOCI)				
Housing Development Finance Corporation Ltd - 9.9 NCD	250	253.5	250	259.4
Debentures of ₹ 1,000,000 each fully paid				
National Highways Authority of India-8.2 BD 25JN22	61,809	66.1	61,809	66.7
Bonds of ₹ 1,000 each fully paid				
Power Finance Corporation Ltd -SR-I 8.2 BD 01FB22	142,393	152.2	142,393	153.6
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	173.5	163,131	175.1
Aggregate book value (carrying value) of quoted investments		645.3		654.8
Aggregate amount of quoted investments at market value		645.3		654.8

₹ in Million

		As at March 31, 2018	As at March 31, 2017
8	**LOANS (NON-CURRENT)**		
	Unsecured considered good		
	Loans to employees	1.9	3.2
	Loans to other parties (*)	2,539.0	-
	(*) Loan given to various parties at prevailing market rates.	2,540.9	3.2
9	**OTHER FINANCIAL ASSETS (NON-CURRENT)**		
	Bank deposit for more than 12 months maturity (refer note 53)	-	4.9
	Security deposits	158.3	140.2
		158.3	145.1
10	**INCOME TAX ASSETS (net) (NON-CURRENT)**		
	Advance income tax	4,320.3	4,508.1
	[Net of Provisions ₹ 13,161.8 Million (March 31, 2017 : ₹ 10,651.8 Million)]		
		4,320.3	4,508.1
11	**OTHER NON-CURRENT ASSETS**		
	Capital advances	1,162.7	161.8
	Balances with government authorities	55.9	765.8
	Others	-	1.6
		1,218.6	929.2
12	**INVENTORIES**		
	(Lower of cost and net realisable value)		
	Raw materials and packing materials	2,677.0	2,381.0
	Goods-in-transit	45.8	140.5
		2,722.8	2,521.5
	Work-in-progress	721.6	558.3
	Finished goods	641.0	1,631.0
	Goods-in-transit	266.5	-
		907.5	1,631.0
	Stock-in-trade	222.3	277.2
	Stores and Spares	22.1	5.0
		4,596.3	4,993.0

(i) Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write downs of inventories amounted to ₹ 507.9 Million as at March 31, 2018 (As at March 31, 2017: ₹ 806.0 Million). The changes in write downs are recognised as an expense in the standalone statement of profit and loss.

(ii) The cost of inventories recognised as an expense during the year is disclosed in Notes 31, 32 and 35 and as "Purchases of stock-in-trade" in the standalone statement of profit and loss.

NOTE : 13
INVESTMENTS (CURRENT)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
Unquoted - (At Fair value through profit or loss)				
Investment in Mutual Funds *				
Units of Face Value of ₹ 1,000 each fully paid				
Axis Mutual Fund - Axis Liquid Fund- Direct Plan Growth-CFDG	-	-	110,943	200.1
Aditya Birla Sun Life Mutual Fund-Aditya Birla Sun Life Cash Plus-Growth-Direct Plan	**3,585,691**	**1,001.5**	-	-
BNP Paribas Mutual Fund- BNP Paribas Overnight Fund-Direct Plan Growth Option	**187,541**	**500.6**	-	-
Baroda Pioneer Mutual Fund -Baroda Pioneer Liquid Fund Plan B-Growth	-	-	213,966	400.1
DSP BlackRock Mutual Fund-DSP BlackRock Liquidity Fund-Direct Plan-Growth	**302,195**	**751.1**	107,519	250.1
Indiabulls Mutual Fund-Indiabulls Liquid Fund-Direct Plan Growth	**442,131**	**750.9**	-	-
Kotak Mutual Fund-Kotak Floater Short Term - Direct Plan - Growth	-	-	187,362	500.1
LIC Mutual Fund-LIC MF Liquid Fund - Direct Plan - Growth	**317,770**	**1,001.4**	110,235	325.1
Sundaram Mutual Fund-Sundaram Money Fund-Direct Plan-Growth	**20,499,084**	**751.0**	-	-
		4,756.5		1,675.5
Aggregate amount of unquoted investments		**4,756.5**		1,675.5

* Investments in Mutual funds have been fair valued at closing Net asset value (NAV)

SUN PHARMA LABORATORIES LIMITED ₹ in Million

		As at March 31, 2018	As at March 31, 2017
14	**TRADE RECEIVABLES**		
	Unsecured		
	Considered good	9,039.7	6,236.9
	Considered doubtful	138.0	148.1
		9,177.7	6,385.0
	Allowance for doutful debts (expected credit loss allowance)	(138.0)	(148.1)
		9,039.7	6,236.9
15	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	1.0	1.6
	Balances with banks		
	In current accounts	7.2	8.0
		8.2	9.6
16	**BANK BALANCES OTHER THAN DISCLOSED IN NOTE 15 ABOVE**		
	Deposit accounts (Refer Note 53)	20.5	26.2
		20.5	26.2
17	**LOANS (CURRENT)**		
	(at amortised cost)		
	Unsecured considered good unless stated otherwise		
	Loans to employees / other parties (*)	514.2	9,582.8
	Loans to related parties (Refer Note 48) (*)	7,057.2	31.6
	(*) Loan given to various parties at prevailing market rates.	7,571.4	9,614.4
18	**OTHER FINANCIAL ASSETS (CURRENT)**		
	(at amortised cost)		
	Insurance claim receivables	-	11.7
	Interest accrued	20.6	20.6
	Refund due from Government Authorities (refer note 56)	2,079.4	-
		2,100.0	32.3
19	**OTHER CURRENT ASSETS**		
	Prepaid expenses	49.2	56.9
	Advances for supply of goods and services	448.7	414.5
	Balances with government authorities	1,896.7	1,127.5
	Others	134.1	-
		2,528.7	1,598.9

₹ in Million

		As at March 31, 2018	As at March 31, 2017
20	**EQUITY SHARE CAPITAL**		
	Authorised		
	50,000,000 (Previous Year 50,000,000) Equity shares of ₹ 10 each	**500.0**	500.0
	Issued, subscribed and fully paid up		
	50,000 (Previous Year 50,000) Equity shares of ₹ 10 each (refer note 43)	**0.5**	0.5
		0.5	0.5
21	**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
	B. Reserves and surplus		
	Capital reserve	**185,654.3**	185,654.3
	Debenture redemption reserve	**1,250.0**	2,083.4
	Capital redemption reserve [₹ 10,000 (Previous Year ₹ 10,000)]	**0.0**	0.0
	Retained earnings	**9,783.9**	9,678.4
		196,688.2	**197,416.1**
	C. Items of other comprehensive income(OCI)		
	Debt instruments	**(6.2)**	-
		(6.2)	-
	Total of other equity	**196,823.2**	197,557.3

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 retained earnings on redemption of debentures.

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

Debt instruments measured at fair value through other comprehensive income - This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognised in other comprehensive income.

Equity component of compound financial instrument - The component parts of compound financial instruments 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. Financial liabilities are recognised initially at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

₹ in Million

		As at March 31, 2018	As at March 31, 2017
22	**BORROWINGS (NON-CURRENT)**		
	Unsecured		
	Redeemable non-convertible debentures (refer note 47)	-	5,000.0
	Liability component of compound financial instrument		
	Redeemable Preference shares - from related party (refer note 47)	-	358.8
		-	5,358.8
23	**PROVISIONS (NON-CURRENT)**		
	Employee benefits (refer note 45)	392.5	556.7
		392.5	556.7
24	**BORROWINGS (CURRENT)**		
	Unsecured		
	Commercial paper	13,818.3	2,982.4
		13,818.3	2,982.4
25	**TRADE PAYABLES**		
	Dues to micro and small enterprises (refer note 42)	19.5	25.4
	Others	6,897.3	4,833.4
		6,916.8	4,858.8
26	**OTHER FINANCIAL LIABILITIES (CURRENT)**		
	Current maturities of long-term debt (refer note 47)	5,000.0	5,000.0
	Interest accrued	104.1	215.3
	Security deposits	18.9	19.4
	Payables on purchase of property, plant and equipment	220.0	378.3
	Temporary overdrawn bank balance as per books	18.5	74.2
	Liability Component of Compound Financial Instrument		
	Redeemable Preference shares (refer note 47)	391.4	-
		5,752.9	5,687.2
27	**OTHER LIABILITIES (CURRENT)**		
	Statutory remittances	1,341.1	433.3
	Advances from customers	19.1	8.0
		1,360.2	441.3
28	**PROVISIONS (CURRENT)**		
	Employee benefits (refer note 45)	233.3	209.7
	Product returns (refer note 49)	1,877.3	1,751.5
	Others (refer note 49)	-	387.8
		2,110.6	2,349.0

₹ in Million

		Year ended March 31, 2018	Year ended March 31, 2017
29	**REVENUE FROM OPERATIONS**		
	Sale of products (refer note 57)	51,099.1	52,873.9
	Other operating revenues	1,013.6	355.0
		52,112.7	53,228.9
30	**OTHER INCOME**		
	Interest Income on:		
	Bank deposits at amortised cost	5.8	2.1
	Loans at amortised cost	1,163.3	789.5
	Investments in debt instruments	-	124.9
	Other financial assets carried at amortised cost	674.5	717.4
	Others	399.4	277.4
	Gain on sale of financial assets measured at fair value through profit or loss	138.2	337.9
	Net gain arising on financial assets measured at fair value through profit or loss	6.0	10.9
	Insurance claims	135.4	20.5
	Lease rental and hire charges	55.8	2.6
	Miscellaneous income	6.8	3.3
		2,585.2	2,286.5
31	**COST OF MATERIALS CONSUMED**		
	Raw materials and packing materials		
	Inventories at the beginning of the year	2,521.5	2,192.7
	Purchases during the year	8,007.4	9,648.1
	Inventories at the end of the year	(2,722.8)	(2,521.5)
		7,806.1	9,319.3
32	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**		
	Inventories at the beginning of the year	2,466.5	3,248.8
	Inventories at the end of the year	(1,851.4)	(2,466.5)
		615.1	782.3
33	**EMPLOYEE BENEFIT EXPENSE**		
	Salaries and wages	5,351.2	4,541.3
	Contribution to provident and other funds* (Refer note 45)	313.2	240.0
	Staff welfare expense	79.2	74.2
		5,743.6	4,855.5

* includes gratuity expense of ₹ 114.7 Million (March 31, 2017 : ₹ 73.5 Million)

		Year ended March 31, 2018	Year ended March 31, 2017
34	**FINANCE COSTS**		
	Interest expense for financial liabilities carried at amortised cost	1,332.0	1,468.8
	Interest expense others	-	7.5
		1,332.0	1,476.3

SUN PHARMA LABORATORIES LIMITED ₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
35 OTHER EXPENSES		
Consumption of material, stores and spare parts	**277.7**	272.8
Conversion and other manufacturing charges	**655.5**	633.8
Power and fuel	**343.4**	300.0
Rent	**43.6**	40.2
Rates and taxes	**67.0**	13.6
Insurance	**110.2**	80.8
Selling and distribution	**1,991.4**	1,822.0
Commission on sales	**38.3**	44.9
Repairs and maintenance	**209.0**	236.7
Printing and stationery	**142.0**	324.4
Travelling and conveyance	**1,950.1**	1,959.3
Freight outward and handling charges	**168.6**	156.3
Communication	**89.7**	45.9
Allowance for doubtful debts	**(10.1)**	9.0
Professional, legal and consultancy	**375.8**	558.4
Excise duty on sales	**470.1**	1,610.6
Donations	**200.7**	4.3
Loss on sale of property, plant and equipments (net)	**1.1**	3.3
(Decrease) / increase of excise duty on inventories	**(481.9)**	42.0
Net (gain) / loss on foreign currency transactions and translations	**(24.1)**	(28.8)
Payments to auditors (net of taxes, where applicable)		
For audit	**5.1**	3.2
For other services	**1.1**	1.6
Reimbursement of expenses	**0.1**	0.1
Impairment of property, plant and equipment (Refer note 3)	**-**	203.6
Miscellaneous expenses	**1,027.0**	1,572.0
	7,651.4	9,910.0

36 TAX RECONCILIATION

Reconciliation of Income tax expense

	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax	**11,582.4**	9,691.0
Enacted income tax rate (%) applicable to the Company #	**34.608%**	34.608%
Income tax expenses calculated at enacted income tax rate	**4,008.4**	3,353.9
Effect of expenses that are not deductible	**5,344.4**	5,372.6
Effect of deduction claimed under chapter VI A of Income Tax Act 1961	**(9,009.3)**	(8,487.2)
Effect of income that is exempt from tax	**13.6**	(36.9)
Utilisation of earlier years tax losses on which no deferred tax asset was recognised	**(49.9)**	(135.1)
Investment allowance u/s 32AC of Income Tax Act 1961		(60.6)
Others	**3.0**	
Tax Payable under MAT	**2,510.0**	2,100.0
Income tax expense recognised in the statement of profit and loss	**2,820.2**	2,106.7

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.

Note : 37
Changes in Liabilities arising from financing activities

₹ in Million

Particulars	As at March 31, 2017	Cash Flows	Non-cash changes			As at March 31, 2018
			Acquisition / Foreign Exchange Movement	Fair Value Changes	Others	
Non-current liabilities						
Borrowings	5,358.8	-	-	-	(5,358.8)	-
Current liabilities						
Borrowings	2,982.4	10,221.6	-	-	614.3	13,818.3
Other financial liabilities	5,215.3	(5,796.2)	-	33.0	6,043.4	5,495.5
Dividend (including corporate dividend tax)	-	(9,574.4)	-	-	9,574.4	-

NOTE : 38
A CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
i Contingent liabilities		
Liabilities disputed - appeals filed with respect to :		
Income tax	12,164.2	10,686.8
Excise duty	1,167.6	3,576.0
Environment cess	23.3	23.3
Note: Includes, interest till the date of demand, wherever applicable		
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].	737.7	502.7
Letters of credit for imports	147.8	4.2
B Guarantees given by the bankers on behalf of the Company (Refer Note 53)	330.6	251.2

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, bank balances, current investments, bank deposits maturity more than 12 months as presented in the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018.

₹ in Million

(i) Debt equity ratio	As at March 31, 2018	As at March 31, 2017
Debt (includes non-current, current borrowings and current maturities of long term debt)	19,209.7	13,341.2
Less : Cash and cash equivalents	8.2	9.6
Less : Bank balances	20.5	26.2
Less : Current investments	4,756.5	1,675.5
Less : Bank deposits maturity more than 12 months	-	4.9
Net debt	14,424.5	11,625.0
Total equity (excluding capital reserve)	11,169.4	11,903.5
Net debt to equity ratio	1.3	1.0

₹ in Million

(ii) Dividend on equity shares paid during the year	For the year March 31, 2018	For the year March 31, 2017
Dividend on equity shares. Final dividend for the year ended March 31, 2017 of ₹ 40,000 (previous year for year ended March 31, 2016 ₹ 40,000) per fully paid equity share. Interim dividend for the half year ended September 30, 2017 of ₹ 117,500 (previous year for year ended March 31, 2016 Nil) per fully paid equity share.	7,875.0	2,000.0
Dividend distribution tax on above	1,603.2	407.2
Dividends not recognised at the end of the reporting period. The Board of Directors at its meeting held on May 24, 2018 has recommended the payment of final dividend of ₹ 95,000 per equity share of ₹ 10 each subject to approval of the members at ensuing Annual General Meeting. The final dividend is in addition to payment of interim dividend of ₹ 117,500 per equity share of ₹ 10 each for the financial year 2017-18. 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, 2018	For the year March 31, 2017
Dividend on Preference shares. Final dividend for the year ended March 31, 2017 and interim dividend for the half year ended September 30, 2017 of ₹ 10 (previous year for year ended March 31, 2016 ₹ 10) per fully paid preference share	80.0	40.0
Dividend distribution tax on above	16.2	8.1
The Company has made payment of preference dividend of ₹10 per preference share of ₹100 each during the year, which is treated as final dividend.		

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.

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.

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.

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets for which loss allowances is measured using the expected credit loss		
Trade receivables		
less than 180 days	8,520.8	6,232.0
180 - 365 days	515.6	10.2
beyond 365 days	141.3	142.8
Total	9,177.7	6,385.0

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	148.1	139.1
Addition	1.0	9.0
(Reversal)	(11.1)	-
Balance at the end of the year	138.0	148.1

Other than Trade receivables, the Company has no Significant class of financial assets that are post due but not impaired.

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 ₹ 4,000 Million as on March 31, 2018, ₹ 3,400 Million as on March 31, 2017.

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

₹ in Million

Particulars	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2018
Non derivative				
Preference share capital	400.0		-	400.0
Other borrowings*	19,000.0	-	-	19,000.0
Trade payables	6,916.8	-	-	6,916.8
Other financial liabilities	361.5	-	-	361.5
				-
	26,678.3	-	-	26,678.3

* Includes ₹ 5,000.0 Million as at March 31, 2018 disclosed as current maturities of long term debt grouped in 'other financial liabilities' in the financial statements.

₹ in Million

Particulars	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 as at March 31, 2017 disclosed as current maturities of long term debt grouped in 'other financial liabilities' in the financial statements.

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(USD), Euros(EUR) and Israeli New Shekel(ILS)). 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:

₹ in Million

	As at March 31, 2018				Total
Particulars	USD	EUR	ILS	Others	
Financial liabilities					
Trade payables	603.8	120.7	1.9	16.0	742.4
	603.8	120.7	1.9	16.0	742.4

₹ in Million

	As at March 31, 2017				Total
Particulars	USD	EUR	ILS	Others	
Financial liabilities					
Trade payables	186.2	19.5	5.4	0.8	211.9
	186.2	19.5	5.4	0.8	211.9

b) Sensitivity
For the years ended March 31, 2018 and March 31, 2017, every 5% strengthening in the exchange rate between the Indian Rupee and the respective major currencies for the above mentioned financial assets/liabilities would decrease Company's profit and equity by approximately ₹ 37.1 Million, ₹ 10.7 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
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. However, the Company has minimual exposure to the risk of changes in market interest rates. Primarily the company's debt obligation is with fixed interest rates. As at the balance sheet date, the Company has not entered into any such derivatives contracts.

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, 2018, 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

	As at March 31,2018		
Particulars	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Amortised cost**
Financial Assets			
Investments			
In Mutual funds	4,756.5	-	-
In Debentures/Bonds		645.3	-
Trade Receivables	-	-	9,039.7
Cash and cash equivalents	-	-	8.2
Bank balances other than above	-	-	20.5
Loans to employees / other parties	-	-	3,055.1
Loans to related parties	-	-	7,057.2
Other Financial Assets			
Interest accrued	-	-	20.6
Security Deposits	-	-	158.3
Refund Due from Government Authorities	-	-	2,079.4
Financial Liabilities			
Borrowings	-	-	19,209.7
Trade Payables	-	-	6,916.8
Interest accrued	-	-	104.1
Security deposits	-	-	18.9
Payables on purchase of property, plant and equipment	-	-	220.0
Temporary overdrawn bank balance as per books	-	-	18.5

₹ in Million

	As at March 31,2017		
Particulars	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Amortised cost**
Financial Assets			
Investments			
In Mutual funds	1,675.5	-	-
In Debentures/Bonds	-	654.8	-
Trade Receivables	-	-	6,236.9
Cash and cash equivalents	-	-	9.6
Bank balances other than above	-	-	26.2
Loans to employees / other parties	-	-	9,586.0
Loans to related parties	-	-	31.6
Other Financial Assets			
Bank deposits with more than 12 months maturity	-	-	4.9
Interest accrued	-	-	20.6
Security Deposits	-	-	140.2
Insurance claim receivables	-	-	11.7
Financial Liabilities			
Borrowings	-	-	13,341.2
Trade Payables	-	-	4,858.8
Interest accrued	-	-	215.3
Security deposits	-	-	19.4
Payables on purchase of property, plant and equipment	-	-	378.3
Temporary overdrawn bank balance as per books	-	-	74.2

₹ in Million

	As at March 31,2018		
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period			
Particulars	**Level 1**	**Level 2**	**Level 3**
Financial Assets			
Investments			
In Mutual funds	4,756.5	-	-
In Debentures/Bonds	645.3	-	-

	As at March 31,2017		
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period			
Particulars	**Level 1**	**Level 2**	**Level 3**
Financial Assets			
Investments			
In Mutual funds	1,675.5	-	-
In Debentures/Bonds	654.8	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes traded bonds and mutual funds that have quoted price. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There were no transfers between Level 1 and 2 in the period.

The management considers that the carrying amount of current financial assets and current financial liabilities carried at 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

Particulars	As at March 31, 2018	As at March 31, 2017
Principal amount remaining unpaid to any supplier as at the end of the accounting year	19.5	25.4
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	-	-
	19.5	25.4

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	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

Details of shareholders holding more than 5% in the Company	As at March 31, 2018		As at March 31, 2017	
Name of equity shareholders	No. of shares held	% of holding	No. of shares held	% of holding
Sun Pharmaceutical Industries Limited (Holding and Ultimate Holding Company)	50,000	100%	50,000	100%

No equity shares have been issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

C PREFERENCE SHARE CAPITAL *

Particulars	As at March 31, 2018		As at March 31, 2017	
	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
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

Details of shareholders holding more than 5% in the Company	As at March 31, 2018		As at March 31, 2017	
Name of preference shareholders	No. of shares held	% of holding	No. of shares held	% of holding
Sun Pharmaceutical Industries Limited (Holding and Ultimate Holding Company)	4,000,000	100%	4,000,000	100%

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

40,00,000 (upto March 31, 2017: 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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Numerator used for calculating basic and diluted earnings per share (₹ in Million)		
Profit for the year (₹ in Million)	8,762.2	7,584.3
Less: Preference dividend and dividend tax (₹ in Million)	96.3	48.1
Profit for the year (₹ in Million) - used as numerator for calculating basic and diluted earnings per share	8,665.9	7,536.2
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 ₹)	173,318	150,724

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

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 ₹ 196.7 Million (Previous year ₹ 164.9 Million)

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to Provident Fund and Family Pension Fund	**190.9**	161.3
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	**5.8**	3.5
Contribution to Labour Welfare Fund (₹ 23,736)	**0.0**	0.1

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 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 ₹ 21.2 Million (Previous Year ₹ 168.3 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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Gratuity (Funded)	Gratuity (Funded)
Expense recognised in the statement of profit and loss (Refer Note 33)		
Current service cost	**90.1**	63.2
Interest cost	**53.1**	40.8
Expected return on plan assets	**(28.5)**	(30.5)
Expense charged to the statement of profit and loss	**114.7**	73.5
Remeasurement of defined benefit obligation recognised in other comprehensive income		
Actuarial loss / (gain) on defined benefit obligation	**(125.1)**	164.2
Actuarial gain on plan assets	**(4.5)**	(0.6)
Expense/(income) charged to other comprehensive income	**(129.6)**	163.6
Reconciliation of defined-benefit obligations		
Obligation as at the beginning of the year	**779.6**	539.4
Current service cost	**90.1**	63.2
Interest cost	**53.1**	40.8
Benefits paid	**(32.1)**	(28.0)
Actuarial Gains on obligations		
- due to change in demographic assumptions	**(47.4)**	(45.4)
- due to change in financial assumptions	**(176.5)**	224.7
- due to experience	**98.8**	(15.1)
Obligation as at the year end	**765.6**	779.6

₹ in Million

Particulars	As at March 31, 2018 Gratuity (Funded)	As at March 31, 2017 Gratuity (Funded)
Reconciliation of liability/(asset) recognised in the Balance sheet		
Present value of commitments (as per Actuarial Valuation)	**765.6**	779.6
Fair value of plan assets	**(498.0)**	(417.8)
Net liability recognised in the Balance sheet	**267.6**	361.8
Reconciliation of plan assets		
Plan assets as at the beginning of the year	**417.8**	403.2
Expected return	**28.5**	30.5
Actuarial gain	**4.5**	0.6
Employer's Contribution during the year	**79.3**	11.5
Benefits paid	**(32.1)**	(28.0)
Plan assets as at the year end	**498.0**	417.8

Particulars	Year ended March 31, 2018 Gratuity (Funded)	Year ended March 31, 2017 Gratuity (Funded)
Discount rate	**7.50%**	6.81%
Expected return on plan assets	**7.50%**	6.81%
Expected rate of salary increase	**11.65%**	14.50%
Interest rate guarantee	**N.A.**	N.A.
Mortality	**Indian Assured Lives Morality (2006-08)**	Indian Assured Lives Morality (2006-08)
Attrition rate	**15.00%**	13.50%
Retirement Age (years)	**60**	58 to 60

₹ in Million

Particulars	Year ended March 31, 2018 Gratuity (Funded)	Year ended March 31, 2017 Gratuity (Funded)
Sensitivity Analysis:		
Impact on defined benefit obligation		
Delta effect of +1% change in discount rate	**(40.3)**	(56.4)
Delta effect of -1% change in discount rate	**45.2**	65.2
Delta effect of +1% change in salary escalation rate	**43.1**	60.0
Delta effect of -1% change in salary escalation rate	**(39.2)**	(53.3)
Delta effect of +1% change in rate of employee turnover	**(11.1)**	(26.7)
Delta effect of -1% change in rate of employee turnover	**12.3**	30.6
Maturity analysis of projected benefit obligation		
31-Mar-19	**95.3**	64.9
31-Mar-20	**93.7**	66.1
31-Mar-21	**88.9**	71.5
31-Mar-22	**90.0**	68.8
31-Mar-23	**77.6**	71.9
Thereafter	**338.7**	321.8
The major categories of plan assets are as under :		
Insurer managed funds (Funded with LIC, break-up not available)	**498.0**	417.8
The contribution expected to be made by the Company for gratuity, during financial year ending on March 31, 2019 is ₹ 137.5 Million (Previous Year ₹ 110.2 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 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 35

NOTE : 47
BORROWINGS
Details of 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 (included in current maturities of long-term debt as at March 31, 2018)	1,000,000	5,000.0	March 22, 2019
Rated Unsecured Listed Redeemable 5,000 Non-Convertible Debentures Series 1 (Redeemed during the year)	1,000,000	5,000.0	December 22, 2017

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.

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
10% Non-convertible, Non-cumulative redeemable preference shares		
Classified in following two categories		
Equity component of compound financial instrument	141.2	141.2
Liability Component of Compound Financial Instrument (included in current maturities of long-term debt as at March 31, 2018)	391.4	358.8

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

NOTE : 48
a RELATED PARTY DISCLOSURES AS PER ANNEXURE "A"

b LOANS GIVEN TO RELATED PARTY

₹ in Million

Particulars	As at March 31, 2018	Maximum balance March 31, 2018	As at March 31, 2017	Maximum balance March 31, 2017
Loans outstanding from a Subsidiary *				
Sun Pharmaceutical Medicare Limited	1,007.5	1,007.5	31.6	31.6
Loans outstanding from Holding Company*				
Sun Pharmaceutical Industries Limited	6,049.7	15,613.5	-	-
	7,057.2	16,621.0	31.6	31.6

* Includes interest accrued on loan amounting to ₹ 588.6 Million in March 31, 2018 and ₹ 1.6 Million in March 31, 2017.
These loans have been granted to the above entities for the purpose of its business.

NOTE : 49
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

Particulars	As at March 31, 2018	As at March 31, 2017
	Product and Sales related *	Product and Sales related *
At the commencement of the year	2,139.3	1,604.9
Add: Provision for the year	949.7	1,315.4
Less: Utilisation / Settlement	(1,211.7)	(781.0)
At the end of the year	1,877.3	2,139.3

(*) includes provision for product returns
Refer note : 2.2 (m)

NOTE : 50

DEFERRED TAX LIABILITIES (NET)

₹ in Million

Particulars	Balance as at April 01, 2017	Recognised in Statement of profit and loss	Recognised in other comprehensive Income	Balance as at March 31, 2018
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	(511.8)	(308.4)	-	(820.2)
Total Deferred tax (liabilities)	(511.8)	(308.4)	-	(820.2)
Deferred tax assets in relation to:				
Allowance for doubtful debts	51.2	(3.0)	-	48.2
Expenses claimed for tax purpose on payment basis	243.5	(1.5)	(45.3)	196.7
Others	10.0	2.7	3.3	16.0
Total Deferred tax Assets	304.7	(1.8)	(42.0)	260.9
Deferred tax Liabilities (Net)	(207.1)	(310.2)	(42.0)	(559.3)

Particulars	Balance as at April 01, 2016	Recognised in Statement of profit and 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)

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, 2018**	As at March 31, 2017
Tax losses (Capital in nature)	1,191.8	1,330.0
Unused tax credits (MAT credit entitlement)	4,610.0	2,100.0
	5,801.8	3,430.0

The unused tax credit will expire in financial year 2032-33 and unused tax losses will expire from financial year 2021-22 to 2023-24

NOTE : 51

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 182.6 million (Previous Year ₹ 71.9 million), included in other expenses.

Details of CSR expenditure:

a) Gross amount required to be spent by the Company during the year 2017-18 ₹ 149.4 million (Previous year ₹ 107.7 million)

₹ in Million

Particulars	In cash	Yet to be paid in	Total
b) Amount spent during the year ended on March 31, 2018:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	182.6	-	182.6
b) Amount spent during the year ended on March 31, 2017:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	71.9	-	71.9

NOTE : 52

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 ₹91,396.0 Million (As at March 31, 2017 ₹106,628.9 Million) and 6 years (As at March 31, 2017 7 years) 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 : 53

Deposits with banks are pledged with banks against Bank Guarantees.

NOTE : 54

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 : 55

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

NOTE : 56

In Compliance with IND AS 20 on Government Grants, the amount of budgetary support under Goods and Service Tax, GST Refunds, to be received from the Government of India amounting to ₹ 879.1 Million in relation to the existing eligible units under the different Industrial Promotion Scheme have been recognised as "Other Operating Income". In past periods these credits were netted off from the excise cost reported in the Statement of Profit and Loss.

NOTE : 57

Sale of goods includes excise duty collected from customers of ₹ 470.1 Million (March 31, 2017: ₹ 1,610.6 Million). Sale of goods net of excise duty is ₹ 50,629.0 Million (March 31 2017: ₹ 51,263.3 Million). Revenue from operations for periods up to June 30, 2017 includes excise duty. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The group collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended March 31, 2018 is not comparable March 31, 2017.

NOTE : 58

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 [Refer Note 2.2 (d)]
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 [Refer Note 2.2 (o)]
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)]
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 (m)]
Provision for sales return are recognised based on the past trend , which is based on the average percentage return on sale of goods. Any changes in these estimates will impact upon the provision.

5 Write down in value of inventories (Refer Note 12)
Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Any changes in these estimates will impact upon the write down value of inventories.

6 Contingencies (Refer Note 38)
The company has been advised by its legal counsel the probability of out flow of resources based on this the contingent liability has been recognised. Any change in the estimated probability will impact upon the contingency liability .

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration no:324982E/E300003

per RAVI BANSAL
Partner
Membership No. 49365
Mumbai, May 24, 2018

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

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Director

RACHANA N. KOKAL
Company Secretary

SAILESH T. DESAI
Director

KALYANASUNDARAM SUBRAMANIAN
Whole time Director & CEO

Mumbai, May 24, 2018

Ind AS- 24 - " RELATED PARTY DISCLOSURES "

ANNEXURE "A"

(I) Names of related parties and description of their relationships

1 Holding Company

Sun Pharmaceutical Industries Limited

2 Wholly Owned Subsidiary

Universal Enterprises Private Limited
Sun Pharmaceutical Medicare Limited (Refer Footnote 1)

3 Fellow Subsidiaries

Sun Pharmaceutical Industries Inc
Aditya Acquisition Company Limited
Neetnav Real Estate Private Limited
Sun Pharma Medisales Private Limited (Refer Footnote 5)
Sun Pharmaceutical Industries (Europe) B.V
Zenotech Laboratories Limited (w.e.f. July 27, 2017)
Sun Pharma ANZ Pty Ltd
Foundation for Disease Elimination and Control of India

4 Associates

Trumpcard Advisors and Finvest LLP (Refer Footnote 1 and 2)
Vintage Power Generation LLP (subsidiary of Trumpcard Advisors and Finvest LLP)

5 Key Management Personnel (KMP)

Abhay A Gandhi (Refer Footnote 4)	Whole-Time Director and Chief Executive Officer
Sudhir V. Valia	Non-Executive Director
Sailesh T. Desai	Non-Executive Director
Kalyansundaram Iyer Natesan Subramanian (Refer Footnote 3)	Whole-Time Director and Chief Executive Officer

6 Non-Executive Director

S. Mohanchand Dadha
Rekha Sethi
Naresh Chand Singhal

7 Others (Entities in which the KMP and relatives of KMP have control or Significant influence)

Makov Associates Ltd.
Shantilal Shanghvi Foundation
Alfa Infraprop Pvt. Ltd.
Sidmak Laboratories (India) Private Limited
Aditya Medisales Limited
Ramdev Chemicals Private Limited
Sholapur Organics Private Limited
Sun Pharma Advanced Research Company Limited
United Medisales Private Limited
Virtuous Finance Private Limited

Footnote

1 Incorporated / Acquired during the Previous year.
2 Investment in Trumpcard Advisors and Finvest LLP with effect from March 31, 2017.
3 Mr. Kalyansundaram Iyer Natesan Subramanian appointed as whole-time Director with effect from February 13, 2017.
4 Mr. Abhay A Gandhi was whole-time Director upto November 10, 2016.
5 During the year 2016-17 , Solrex Pharmaceuticals Company, a partnership firm has been converted into company which is known as Sun Pharma Medisales Private Limited. Sun Pharma Medisales Private Limited has been amalgamated with Sun Pharmaceutical Industries Limited with effect from April 01, 2017 with order effective from September 06, 2017.

(II) **Detail of related party transaction during the year ended March 31, 2018:**

₹ in Million

Type of Transaction	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of goods	**1,825.8**	**2,322.5**
Holding Company	1,657.2	2,322.5
Subsidiaries	9.8	-
Others (March 31, 2017 ₹ 5,228)	158.8	0.0
Purchase of Property, Plant and Equipment	**15.5**	**17.5**
Holding Company	14.5	17.5
Others	1.0	-
Sale of goods	**50,758.1**	**577.6**
Holding Company	756.3	577.6
Subsidiaries	0.3	-
Others (March 31, 2017 ₹ 33,278)	50,001.5	0.0
Sale of Property, Plant and Equipment	**19.8**	**283.8**
Holding Company	18.5	283.8
Fellow Subsidiaries	1.3	-
Receiving of Service	**732.8**	**865.0**
Holding Company	317.8	423.0
Fellow Subsidiaries	28.2	35.1
Others	386.6	406.9
Reimbursement of Expenses Paid	**36.1**	**51.2**
Holding Company	4.8	9.1
Fellow Subsidiaries	29.8	42.1
Others	1.5	-
Rendering of Service	**115.4**	**269.2**
Holding Company	115.4	269.2
Reimbursement of Expenses Received	**1.6**	**2.6**
Holding Company	0.3	2.6
Subsidiaries (March 31, 2017 ₹ 45,000)	-	0.0
Others	1.3	-
Finance (including investment and equity contributions)	**0.0**	**315.0**
Subsidiaries	-	2.5
Associates (March 31, 2018 ₹ 30,610)	0.0	312.5
Loans / Deposit given	**35,438.7**	**9,231.6**
Holding Company	28,122.1	9,200.0
Subsidiaries	1,016.6	31.6
Others	6,300.0	-
Loans received back	**32,615.1**	**17,220.0**
Holding Company	22,655.1	17,220.0
Subsidiaries	47.6	-
Others	9,912.4	-
Purchase of Investment in Sun Pharma Holding	**12,384.4**	**32,318.4**
Holding Company	12,384.4	32,318.4
Interest Income	**1,461.1**	**116.4**
Holding Company	647.4	116.4
Subsidiaries (March 31, 2017 ₹ 20,121)	7.7	0.0
Others	806.0	-
Rent Income	**42.0**	**-**
Others	42.0	-
Receipts on account of assets given under finance lease	**-**	**46.8**
Others	-	46.8
Rent expense	**25.2**	**20.3**
Holding Company	17.4	19.3
Subsidiaries	0.3	0.3
Fellow Subsidiaries	0.7	0.7
Others	6.8	-
Donation	**62.8**	**52.1**
Fellow Subsidiaries	42.8	-
Others	20.0	52.1
Remuneration		
Key Management Personnel	**53.3**	**47.6**

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

Balance Outstanding as at the end of the year ₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
Receivables	**8,671.6**	**629.0**
Holding Company	-	268.3
Subsidiaries	352.8	360.7
Fellow Subsidiaries	1.5	-
Others	8,317.3	-
Payable	**1,541.4**	**909.8**
Holding Company	1,349.8	779.5
Subsidiaries	4.9	4.9
Fellow Subsidiaries	21.5	25.4
Key management personnel	2.8	7.5
Others	162.4	92.5
Loan Given	**7,057.2**	**31.6**
Holding Company	6,049.7	-
Subsidiaries	1,007.5	31.6
Deposit Given	**88.1**	**87.6**
Holding Company	0.1	0.1
Fellow Subsidiaries	87.5	87.5
Others	0.5	-

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 management personnel of company.

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 Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

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

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose Ind AS financial statements include total assets of Rs. 3,082.5 Million and net assets of Rs. (78.6) Million as at March 31, 2018, and total revenues of Rs. 1,200.3 Million and net cash outflows of Rs. 11.5 Million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

(b) The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 25, 2017.

(c) The accompanying consolidated Ind AS financial statements include the Group's share of net profit of Rs. 132.7 Million for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of three associates, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

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

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

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

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

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

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

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates – Refer Note 37 to the consolidated Ind AS financial statements;

   ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associates incorporated in India during the year ended March 31, 2018.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Ravi Bansal
Partner
Membership Number: 49365

Place of Signature: Mumbai
Date: May 24, 2018

Annexure 1 to the Independent Auditor's Report of even date on the consolidated financial statements of Sun Pharma Laboratories Limited

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

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

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

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

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Ravi Bansal
Partner
Membership Number: 49365

Place of Signature: Mumbai
Date: May 24, 2018

SUN PHARMA LABORATORIES LIMITED ₹ in Million

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	11,905.4	10,328.6
(b) Capital work-in-progress		3,313.4	2,736.0
(c) Goodwill		1.0	1.0
(d) Intangible assets	4	91,791.2	107,033.5
(e) Investments in associates	5	83,145.2	70,628.0
(f) Financial assets			
(i) Investments	6	645.3	654.8
(ii) Loans	7	2,540.9	3.2
(iii) Other financial assets	8	170.1	155.7
(g) Income tax assets (Net)	9	4,327.1	4,508.1
(h) Other non-current assets	10	1,222.3	929.2
Total non-current assets		199,061.9	196,978.1
(2) Current assets			
(a) Inventories	11	4,991.0	5,305.2
(b) Financial assets			
(i) Investments	12	4,756.5	1,675.5
(ii) Trade receivables	13	9,049.8	5,926.7
(iii) Cash and cash equivalents	14	20.5	33.3
(iv) Bank balances other than (iii) above	15	20.5	26.2
(v) Loans	16	6,566.5	9,584.9
(vi) Other financial assets	17	2,100.0	32.3
(c) Other current assets	18	3,005.7	1,966.8
Total current assets		30,510.5	24,550.9
TOTAL ASSETS		229,572.4	221,529.0
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	19	0.5	0.5
(b) Other equity	20	196,865.3	197,539.5
Total equity		196,865.8	197,540.0
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	-	5,358.8
(b) Provisions	22	411.8	556.7
(c) Deferred tax liabilities (Net)	49	559.3	207.1
Total non current liabilities		971.1	6,122.6
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	13,818.3	3,983.9
(ii) Trade payables	24	7,187.2	5,264.5
(iii) Other financial liabilities	25	5,996.2	5,809.5
(b) Other current liabilities	26	2,592.3	445.7
(c) Provisions	27	2,141.5	2,362.8
Total current liabilities		31,735.5	17,866.4
Total liabilities		32,706.6	23,989.0
TOTAL EQUITY AND LIABILITIES		229,572.4	221,529.0

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

As per our report of even date

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

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration no. 324982E/E300003

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Director

per RAVI BANSAL
Partner
Membership No. 49365
Mumbai, May 24, 2018

RACHANA N. KOKAL
Company Secretary

SAILESH T. DESAI
Director

KALYANASUNDARAM SUBRAMANIAN
Whole time Director & CEO
Mumbai, May 24, 2018

SUN PHARMA LABORATORIES LIMITED ₹ in Million

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
(I) Revenue from operations	28	53,308.8	53,228.9
(II) Other income	29	2,578.3	2,286.5
(III) Total income (I + II)		55,887.1	55,515.4
(IV) Expenses			
Cost of materials consumed	30	8,188.8	9,390.7
Purchase of stock-in-trade		3,855.2	3,511.2
Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	627.0	708.7
Employee benefits expense	32	6,011.9	4,860.7
Finance costs	33	1,423.2	1,478.0
Depreciation and amortisation expense	3 & 4	16,166.3	15,971.7
Other expenses	34	8,093.6	9,916.7
Total expenses (IV)		44,366.0	45,837.7
(V) Profit before tax (III-IV)		11,521.1	9,677.7
(VI) Tax expense:	35		
Current tax		2,510.0	2,100.0
Deferred tax		310.2	6.7
Total tax expense (VI)		2,820.2	2,106.7
(VII) Profit for the year (V - VI)		8,700.9	7,571.0
(VIII) Share of profit of associates		132.7	2.5
(IX) Profit for the year attributable to owners of the Company (VII + VIII)		8,833.6	7,573.5
(X) Other comprehensive income			
a) Items that will not be reclassified to the statement of profit and loss			
(i) Remeasurements gain/(loss) on defined benefit plans		118.1	(163.6)
(ii) Income Tax Effect		(45.3)	56.6
b) Items that will be reclassified to to the statement of profit and loss			
(i) Exchange difference in translating the financial statements of foreign operation (March 31, 2018 ₹ 4,391)		(0.0)	(0.1)
(ii) Net (Loss) on Debt Instruments through Other Comprehensive Income		(9.5)	-
(iii) Income Tax Effect		3.3	-
(X) Total other comprehensive income (net of taxes) (a+b)		66.6	(107.1)
(XI) Total comprehensive income for the year attributable to owners of the Company (net of taxes) (IX + X)		8,900.2	7,466.4
Earnings per equity share (face value per equity share - ₹ 10)	43		
Basic and Diluted (in ₹)		174,746	150,508

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

As per our report of even date

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

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration no. 324982E/E300003

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Director

per RAVI BANSAL
Partner
Membership No. 49365
Mumbai, May 24, 2018

RACHANA N. KOKAL
Company Secretary

SAILESH T. DESAI
Director

KALYANASUNDARAM SUBRAMANIAN
Whole time Director & CEO
Mumbai, May 24, 2018

SUN PHARMA LABORATORIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

₹ in Million

Particulars	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		Fair value through Other comprehensive Income reserve	Foreign currency translation reserve	
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
Profit for the year	-	-	-	-	-	8,833.6		-	-	8,833.6
Exchange difference arising on translation of foreign operation	-	-	-	-	-	-		-	* (0.0)	(0.0)
Other comprehensive income for the year	-	-	-	-	-	** 72.8		(6.2)		66.6
Total comprehensive income for the year	-	-	-	-	-	8,906.4		(6.2)	* (0.0)	8,900.2
Payment of dividends - Equity Shareholders	-	-	-	-	-	(7,875.0)		-	-	(7,875.0)
Payment of dividends - Preference Shareholders	-	-	-	-	-	(80.0)		-	-	(80.0)
Corporate dividend tax	-	-	-	-	-	(1,619.4)		-	-	(1,619.4)
Transfer from debenture redemption reserve	-	-	-	-	(833.4)	833.4		-	-	-
Balance as at March 31, 2018	0.5	141.2	185,654.3	# 0.0	1,250.0	9,826.1		(6.2)	(0.1)	196,865.8

(*) ₹ 4,391
(#) ₹ 10,000
(@) ₹ 856
** Remeasurements gain/(loss) on defined benefit plans

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

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration no. 324982E/E300003

per **RAVI BANSAL**
Partner
Membership No. 49365
Mumbai, May 24, 2018

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

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Director

RACHANA N. KOKAL
Company Secretary

SAILESH T. DESAI
Director

KALYANASUNDARAM SUBRAMANIAN
Whole time Director & CEO
Mumbai, May 24, 2018

SUN PHARMA LABORATORIES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash flow from operating activities		
Profit before tax	**11,521.1**	9,677.7
Adjustments for:		
Depreciation and amortisation expense	**16,166.3**	15,971.7
Impairment losses on property, plant and equipment recognised in statement of profit and loss	**-**	203.6
Loss on sale of property, plant and equipments (net)	**0.9**	3.3
Finance Costs	**1,423.2**	1,478.0
Interest Income	**(2,236.0)**	(1,911.3)
Gain on sale of financial assets measured at fair value through profit or loss	**(138.2)**	(337.9)
Net Gain arising on financial assets measured at fair value through profit or loss	**(6.0)**	(10.9)
Allowance for doubtful debts	**(10.1)**	9.0
Net unreliased foreign exchange (gain) / loss	**(6.1)**	5.1
Operating profit before working capital changes	**26,715.1**	25,088.3
Movements in working capital:		
Decrease in inventories	**314.3**	444.0
(Increase) in trade receivables	**(3,112.6)**	(2,062.9)
(Increase) in other assets	**(2,409.9)**	(1,062.9)
Increase in trade payables	**1,929.0**	716.6
Increase / (decrease) in provisions	**(248.0)**	703.7
Increase / (decrease) in other liabilities	**2,089.6**	(18.9)
Cash generated from operations	**25,277.5**	**23,807.9**
Net income tax paid	**(2,329.0)**	(2,508.5)
Net cash generated by operating activities (A)	**22,948.5**	**21,299.4**
B. Cash flow from investing activities		
Payment for purchase of property, plant and equipment (including capital work-in-progress) and intangible assets	**(4,248.4)**	(3,623.9)
Proceeds from disposal of property, plant and equipment and intangible assets	**38.3**	62.9
Receipt of rental on fixed assets given under finance lease	**-**	10.6
Net cash outflow on acquisition of subsidiary	**-**	(9.7)
Purchase of investments		
Associate	**(12,384.4)**	(32,318.4)
Others	**(160,595.5)**	(210,023.0)
Proceeds from sale of investments		
Others	**157,658.7**	214,921.9
Inter corporate deposit given		
Holding company	**(28,110.5)**	(9,200.0)
Others	**(5,654.1)**	(5,970.0)
Inter corporate deposits received back		
Holding company	**22,643.5**	17,220.0
Others	**12,164.5**	6,721.2
Investment in bank deposits (having original maturity of more than 3 months)	**5.7**	1.8
Interest received	**1,667.8**	1,918.4
Net cash (used in) investing activities (B)	**(16,814.4)**	**(20,288.2)**

SUN PHARMA LABORATORIES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash flow from financing activities		
Proceeds from non-current Borrowings	(5,000.0)	-
Repayment of borrowings	39,725.5	(36,000.0)
Net increase in working capital borrowings	(29,919.1)	38,955.9
Finance costs paid	(1,378.9)	(1,422.0)
Dividends paid	(7,955.0)	(2,040.0)
Tax on dividend	(1,619.4)	(415.3)
Net cash (used in) financing activities (C)	(6,146.9)	(921.4)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(12.8)	89.8
Cash and cash equivalents at the beginning of the year	33.3	(56.6)
Cash and cash equivalents at the end of the Year	20.5	33.3

Notes:	As at March 31, 2018	As at March 31, 2017
A Cash and cash equivalents comprises of		
Balances with banks in current account	19.5	31.5
Cash on hand	1.0	1.8
Cash and cash equivalents (Refer note 14)	20.5	33.3
Cash and cash equivalents in cash flow statement	20.5	33.3

B For changes in liabilities arising from financing activities as required under IND AS 7, refer note 58

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

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration no. 324982E/E300003

per RAVI BANSAL
Partner
Membership No. 49365
Mumbai, May 24, 2018

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

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Director

RACHANA N. KOKAL
Company Secretary

SAILESH T. DESAI
Director

KALYANASUNDARAM SUBRAMANIAN
Whole time Director & CEO
Mumbai, May 24, 2018

1. General information

Sun Pharma Laboratories Limited ("the Company") is a public limited company incorporated and domiciled in India and has its listing Wholesale - Debt segment of the BSE Limited. The Registered office of the Company is located at Sun House, Plot No. 201 B/1, Western Express Highway, Goregaon (East) Mumbai 400063. The Company is in the business of manufacturing, producing, developing and marketing a wide range of branded and generic formulations. The Company and its subsidiaries (hereinafter referred to as "the Group") have various manufacturing locations with trading and other incidental and related activities.

The consolidated financial statement were authorised for issue in accordance with a resolution of the directors on May 24, 2018.

2. Significant accounting policies

2.1 Statement of compliance

The Group has prepared its consolidated financial statements for the year ended March 31, 2018 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2017.

2.2 Basis of preparation and presentation

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

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

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

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

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

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

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

a. Basis of consolidation

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

Investments in Associates and Joint Ventures

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

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

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. The carrying value of the Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. When the Group's share of losses of an associate or a joint venture exceeds its interest in that associate or joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has obligations or has made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture and discontinues from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed off the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

b. Current vs. Non-current

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

c. Business combinations

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

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

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional 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 Group'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 statement of profit and 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) are recognised in other comprehensive income / (loss) and presented within equity as a part of Foreign Currency Translation Reserve. On disposal of the foreign operation, the relevant amount in the Foreign Currency Translation Reserve is reclassified to statement of profit and loss.

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

Foreign operations

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

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

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

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 Group is responsible for allocating resources and assessing performance of the operating segments.

f. Property, plant and equipment

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

Assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

The estimated useful lives are as follows:

Asset Category	No. of Years
Leasehold land	90-196
Factory Buildings	10-30
Buildings other than Factory 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 statement of profit and 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 statement of profit and loss. Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are tested for impairment annually, or more frequently when there is an indication that the assets may be impaired. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable.

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

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

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

The estimated useful lives for Product related intangibles and Other intangibles ranges from 5 to 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 statement of profit and loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

h. Impairment of non-financial assets other than goodwill

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

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

An impairment loss is recognised in the statement of profit and 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 date the group commits to purchase or sale the financial assets.

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

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

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

Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind 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 statement of profit and 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 statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and 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 financial assets or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Compound financial instruments

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

Initial recognition and measurement

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

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

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through profit or loss

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

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

Financial guarantee contracts

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and 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 Parent Company recognises a liability to make dividend distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Parent Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

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 assets or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in statement of profit and loss as finance costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are generally recognised as an expense in the statement of profit and 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, stores and spares and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method.

Cost of raw materials and packing materials, stock-in-trade, stores and spares includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.

Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

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

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

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, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

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

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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 Group, or

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

Contingent assets are not recognised in the consolidated financial statements.

n. Revenue

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

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of goods, it is probable that the economic benefit will flow to the Group, the associated costs and possible return of goods can be estimated reliably, there is neither continuing management involvement to the degree usually associated with ownership nor effective control over the goods sold and the amount of revenue can be measured reliably. The Group is principal in all of its revenue arrangements, since it is the primary obligor in all of the revenue arrangements, as it has pricing latitude and is exposed to inventory and credit risks.

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

Sales returns

The Group 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 Group's estimate of expected sales returns. With respect to established products, the Group 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 Group, such products have historically been either extensions of an existing line of product where the Group has historical experience or in therapeutic categories where established products exist and are sold either by the Group or the Group's competitors.

Rendering of services

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

Royalties

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

o. Dividend and interest income

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

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

p. Government grants

The Group recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the Group deducts such grant amount from the carrying amount of the asset

q. Employee benefits

Defined benefit plans

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

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations. The current service cost of the defined benefit plan, recognised in the statement of profit and 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 statement of profit and 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 statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to profit or loss.

Termination benefits

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

Short-term and Other long-term employee benefits

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

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

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

Defined contribution plans

The Group's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions. The Group does not have any obligation other than the contribution made.

r. Borrowing costs

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

s. 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 Group 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 Group.
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 Group 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 Group 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.

t. Earnings per share

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

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

u. Recent Accounting pronouncements

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

Ind AS 115, Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs ("MCA") has notified Ind AS 115, *Revenue from Contracts with Customers*, which is effective for accounting periods beginning on or after 1 April 2018. This comprehensive new standard will supersede existing revenue recognition guidance, and requires an entity to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

Ind AS 115 is effective for annual reporting periods beginning on or after 1 April 2018.

The Group intends to adopt Ind AS 115 effective 1 April 2018, using the modified retrospective method. The Group is evaluating the requirements of the standard and its impact on its financials.

Other Amendments:

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

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

The amendments are effective 1 April 2018. The Group believes that the aforementioned amendments will not materially impact the financial position, performance or the cash flows of the Group.

Amendments to Ind AS 7 Statement of Cash Flows:

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information for the current period in Consolidated Cash Flow Statement. Since amendment is effect from April 1, 2017, no comparative period information is required.

NOTE : 3
PROPERTY, PLANT AND EQUIPMENT

₹ in Million

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
At cost or deemed cost								
As at April 01, 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
Additions	-	-	374.2	2,002.7	23.4	15.6	43.4	2,459.3
Disposals	-	-	-	(41.7)	-	(6.2)	(3.4)	(51.3)
As at March 31, 2018	38.1	134.4	6,203.6	7,175.7	225.3	88.0	321.5	14,186.6
Accumulated depreciation and impairment								
As at April 01, 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 profit or loss (Refer note iii)	-	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
Depreciation expense	-	1.1	165.2	554.9	23.1	17.5	81.6	843.4
Eliminated on disposals of assets	-	-	-	(6.4)	-	(2.8)	(3.0)	(12.2)
As at March 31, 2018	-	16.7	497.7	1,462.3	52.0	34.8	217.7	2,281.2
Carrying amount								
As at March 31, 2017	38.1	118.8	5,496.9	4,300.9	173.0	58.5	142.4	10,328.6
As at March 31, 2018	38.1	117.7	5,705.9	5,713.4	173.3	53.2	103.8	11,905.4

Footnotes:

(i) Building includes ₹ 1.8 Million (As at March 31, 2017 : ₹ 1.8 Million) and ₹ 1,772.0 Million (As at March 31, 2017 ₹ 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 Group 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 the 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 Group'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.

NOTE : 4
INTANGIBLE ASSETS

Other than internally generated

₹ in Million

Particulars	Product related Intangibles
At cost or deemed cost	
As at April 01, 2016	137,669.1
Additions	-
Eliminated on disposals of assets	(63.5)
As at March 31, 2017	137,605.6
Additions	80.6
Eliminated on disposals of assets	-
As at March 31, 2018	137,686.2
Accumulated amortisation and impairment	
As at April 01, 2016	15,270.2
Amortisation expense	15,312.9
Eliminated on disposals of assets	(11.0)
As at March 31, 2017	30,572.1
Amortisation expense	15,322.9
Eliminated on disposals of assets	-
As at March 31, 2018	45,895.0
Carrying amount	
As at March 31, 2017	107,033.5
As at March 31, 2018	91,791.2

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

NOTE : 5
INVESTMENTS IN ASSOCIATES (NON-CURRENT)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
Unquoted (At cost)				
Equity instruments				
Sun Pharma Holdings				
Ordinary Shares of USD 1 each fully paid	**50,000**	**6.4**	50,000	5.8
Preference shares				
Sun Pharma Holdings	**1,200,000,000**	**82,694.1**	1,025,000,000	70,309.7
5% Optionally Convertible Preference Shares of USD 1 each fully paid				
Limited Liability Partnership				
Generic Solar Power LLP				
[₹ 28,760 (As at March 31, 2017 ₹ 28,760)]		**0.0**		0.0
Trumpcard Advisors and Finvest LLP		**444.7**		312.5
		444.7		312.5
		83,145.2		70,628.0
Aggregate amount of investment before impairment		**83,145.2**		70,628.0
Aggregate amount of impairment in the value of investments		**-**		-

NOTE : 6
INVESTMENTS (NON-CURRENT)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
Investments in Debentures / Bonds				
Quoted (At FVTOCI)				
Housing Development Finance Corporation Ltd - 9.9 NCD Debentures of ₹ 1,000,000 each fully paid	**250**	**253.5**	250	259.4
National Highways Authority of India-8.2 BD 25JN22 Bonds of ₹ 1,000 each fully paid	**61,809**	**66.1**	61,809	66.7
Power Finance Corporation Ltd -SR-I 8.2 BD 01FB22 Bonds of ₹ 1,000 each fully paid	**142,393**	**152.2**	142,393	153.6
Indian Railway Finance Corporation Ltd -8/8.15 BD 23FB22 Bonds of ₹ 1,000 each fully paid	**163,131**	**173.5**	163,131	175.1
Aggregate book value (carrying value) of quoted investments		**645.3**		**654.8**
Aggregate amount of quoted investments at market value		**645.3**		**654.8**

₹ in Million

		As at March 31, 2018	As at March 31, 2017
7	**LOANS (NON-CURRENT)**		
	Unsecured considered good		
	Loans to employees	1.9	3.2
	Loans to other parties (*)	2,539.0	-
	(*) Loan given to various parties at prevailing market rates.	2,540.9	3.2
8	**OTHER FINANCIAL ASSETS (NON-CURRENT)**		
	Bank deposit for more than 12 months maturity (Refer note 54)	-	4.9
	Security Deposits	170.1	150.8
		170.1	155.7
9	**INCOME TAX ASSETS (NON-CURRENT)**		
	Advance Income Tax	4,327.1	4,508.1
	[Net of Provisions ₹ 13,161.8 Million (March 31, 2017 : ₹ 10,651.8 Million]		
		4,327.1	4,508.1
10	**OTHER NON-CURRENT ASSETS**		
	Capital advances	1,166.4	161.8
	Balances with government authorities	55.9	765.8
	Others	-	1.6
		1,222.3	929.2
11	**INVENTORIES**		
	(Lower of cost and net realisable value)		
	Raw materials and packing materials	3,010.0	2,619.8
	Goods-in-transit	45.8	140.5
		3,055.8	2,760.3
	Work-in-progress	781.6	576.0
	Finished goods	642.7	1,686.7
	Goods-in-transit	266.5	-
		909.2	1,686.7
	Stock-in-trade	222.3	277.2
	Stores and Spares	22.1	5.0
		4,991.0	5,305.2

(i) Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write downs of inventories amounted to ₹ 629.9 Million as at March 31, 2018 (As at March 31, 2017: ₹ 885.9 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 during the year is disclosed in Notes 30, 31 and 34 and as "Purchases of stock-in-trade" in the consolidated statement of profit and loss.

NOTE : 12
INVESTMENTS (CURRENT)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Quantity	₹ in Million	Quantity	₹ in Million
Unquoted - (At Fair value through profit or loss) **Investment in Mutual Funds *** **Units of Face Value of ₹ 1,000 each fully paid**				
Axis Mutual Fund - Axis Liquid Fund- Direct Plan Growth-CFDG	-	-	110,943	200.1
Aditya Birla Sun Life Mutual Fund-Aditya Birla Sun Life Cash Plus-Growth-Direct Plan	3,585,691	1,001.5	-	-
BNP Paribas Mutual Fund- BNP Paribas Overnight Fund-Direct Plan Growth Option	187,541	500.6	-	-
Baroda Pioneer Mutual Fund -Baroda Pioneer Liquid Fund Plan B-Growth	-	-	213,966	400.1
DSP BlackRock Mutual Fund-DSP BlackRock Liquidity Fund-Direct Plan-Growth	302,195	751.1	107,519	250.1
Indiabulls Mutual Fund-Indiabulls Liquid Fund-Direct Plan Growth	442,131	750.9	-	-
Kotak Mutual Fund-Kotak Floater Short Term - Direct Plan - Growth	-	-	187,362	500.1
LIC Mutual Fund-LIC MF Liquid Fund - Direct Plan - Growth	317,770	1,001.4	110,235	325.1
Sundaram Mutual Fund-Sundaram Money Fund-Direct Plan-Growth	20,499,084	751.0	-	-
		4,756.5		1,675.5
Aggregate amount of unquoted investments		4,756.5		1,675.5

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

₹ in Million

		As at March 31, 2018	As at March 31, 2017
13	**TRADE RECEIVABLES**		
	Unsecured		
	Considered good	9,049.8	5,926.7
	Considered Doubtful	138.0	148.1
		9,187.8	6,074.8
	Allowance for doubtful debts (expected credit loss allowance)	(138.0)	(148.1)
		9,049.8	5,926.7
14	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	1.0	1.8
	Balances with banks		
	In Current Accounts	19.5	31.5
		20.5	33.3
15	**BANK BALANCES OTHER THAN DISCLOSED IN NOTE 14 ABOVE**		
	Deposit accounts (Refer note 54)	20.5	26.2
		20.5	26.2
16	**LOANS (CURRENT)**		
	(at amortised cost)		
	Unsecured considered good unless stated otherwise		
	Loans to employees / other parties (*)	516.8	9,584.9
	Loans to related parties (Refer Note 47) (*)	6,049.7	-
	(*) Loan given to various parties at prevailing market rates.	6,566.5	9,584.9
17	**OTHER FINANCIAL ASSETS (CURRENT)**		
	(At amortised cost)		
	Insurance claim receivables	-	11.7
	Interest accrued	20.6	20.6
	Refund Due From Government Authorities (Refer Note 56)	2,079.4	-
		2,100.0	32.3
18	**OTHER CURRENT ASSETS**		
	Prepaid expenses	52.8	65.2
	Advances for supply of goods and services	504.4	450.9
	Balances with government authorities	2,314.4	1,450.7
	Others	134.1	-
		3,005.7	1,966.8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 ₹ in Million

		As at March 31, 2018	As at March 31, 2017
19	**EQUITY SHARE CAPITAL**		
	Authorised		
	50,000,000 (Previous Year 50,000,000) Equity shares of ₹ 10 each	500.0	500.0
	Issued, Subscribed and Fully Paid Up		
	50,000 (Previous Year 50,000) Equity shares of ₹ 10 each (refer note 42)	0.5	0.5
		0.5	0.5
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
	B. Reserves and surplus		
	Capital reserve	185,654.3	185,654.3
	Debenture redemption reserve	1,250.0	2,083.4
	Capital redemption reserve [₹ 10,000 (Previous Year ₹ 10,000)]	0.0	0.0
	Retained earnings	9,826.1	9,660.7
		196,730.4	197,398.4
	C. Items of other comprehensive income(OCI)		
	Foreign currency translation reserve	(0.1)	(0.1)
	Debt instruments	(6.2)	-
		(6.3)	(0.1)
	Total of Other Equity	196,865.3	197,539.5

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 Group 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 retained earnings on redemption of debentures.

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

Debt instruments through other comprehensive income - This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognised in other comprehensive income.

Equity component of compound financial instrument - The component parts of compound financial instruments 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. financial liabilities are recognised initially at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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.

₹ in Million

		As at March 31, 2018	As at March 31, 2017
21	**BORROWINGS (NON-CURRENT)**		
	Unsecured		
	Redeemable non-convertible debentures (Refer Note 46)	-	5,000.0
	Liability component of compound financial instrument		
	Redeemable Preference shares - from related party (Refer Note 46)	-	358.8
		-	5,358.8
22	**PROVISIONS (NON-CURRENT)**		
	Employee benefits (Refer Note 44)	411.8	556.7
		411.8	556.7
23	**BORROWINGS (CURRENT)**		
	Unsecured		
	Loans repayable on demand	-	1,001.5
	Commercial paper	13,818.3	2,982.4
		13,818.3	3,983.9
24	**TRADE PAYABLES**		
	Dues to micro and small enterprises	20.2	28.0
	Others	7,167.0	5,236.5
		7,187.2	5,264.5
25	**OTHER FINANCIAL LIABILITIES (CURRENT)**		
	Current maturities of long-term debt (Refer Note 46)	5,000.0	5,000.0
	Interest accrued	193.1	215.3
	Security deposits	19.7	20.3
	Payables on purchase of property, plant and equipment	373.5	499.7
	Temporary overdrawn bank balance as per books	18.5	74.2
	Liability Component of Compound Financial Instrument		
	Redeemable Preference shares (Refer Note 46)	391.4	-
		5,996.2	5,809.5
26	**OTHER LIABILITIES (CURRENT)**		
	Statutory remittances	1,354.3	438.5
	Advances from customers	1,238.0	7.2
		2,592.3	445.7
27	**PROVISIONS (CURRENT)**		
	Employee benefits (Refer Note 44)	245.8	223.5
	Product returns (Refer Note 48)	1,895.7	1,751.5
	Others (Refer Note 48)	-	387.8
		2,141.5	2,362.8

₹ in Million

		Year ended March 31, 2018	Year ended March 31, 2017
28	**REVENUE FROM OPERATIONS**		
	Sale of products (Refer Note 55)	52,196.2	52,873.9
	Other operating revenues	1,112.6	355.0
		53,308.8	53,228.9
29	**OTHER INCOME**		
	Interest Income on:		
	Bank deposits at amortised cost	5.8	2.1
	Loans at amortised cost	1,155.7	789.5
	Investments in debt instruments	-	124.9
	Other financial assets carried at amortised cost	674.5	717.4
	Others	400.0	277.4
	Gain on sale of financial assets measured at fair value through profit or loss	138.2	337.9
	Net gain arising on financial assets measured at fair value through profit or loss	6.0	10.9
	Insurance claims	135.4	20.5
	Lease rental and hire charges	55.8	2.6
	Miscellaneous income	6.9	3.3
		2,578.3	2,286.5
30	**COST OF MATERIALS CONSUMED**		
	Raw materials and packing materials		
	Inventories at the beginning of the year	2,760.3	2,192.7
	Inventories acquired on acquisition	-	307.7
	Purchases during the year	8,484.3	9,650.6
	Inventories at the end of the year	(3,055.8)	(2,760.3)
		8,188.8	9,390.7
31	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**		
	Inventories at the beginning of the year	2,540.1	3,248.8
	Inventories at the end of the year	(1,913.1)	(2,540.1)
		627.0	708.7
32	**EMPLOYEE BENEFIT EXPENSE**		
	Salaries and wages	5,580.2	4,544.7
	Contribution to provident and other funds * (refer note 44)	328.3	240.1
	Staff welfare expense	103.4	75.9
		6,011.9	4,860.7
	* includes gratuity expense of ₹ 117.9 Million (March 31, 2017 : ₹ 72.2 Million)		
33	**FINANCE COSTS**		
	Interest expense for financial liabilities carried at amortised cost	1,423.2	1,470.5
	Interest expense others	-	7.5
		1,423.2	1,478.0

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
34 OTHER EXPENSES		
Consumption of material, stores and spare parts	**548.7**	273.6
Conversion and other manufacturing charges	**720.8**	634.5
Power and fuel	**456.8**	300.3
Rent	**56.7**	40.4
Rates and taxes	**73.3**	13.6
Insurance	**118.5**	80.8
Selling and distribution	**1,991.7**	1,822.0
Commission on sales	**43.4**	44.9
Repairs and maintenance	**309.4**	237.3
Printing and stationery	**148.4**	324.5
Travelling and conveyance	**1,953.9**	1,959.4
Freight outward and handling charges	**173.8**	156.3
Communication	**91.5**	45.9
Allowance for doubtful debts	**(10.1)**	9.0
Professional, legal and consultancy	**417.6**	558.8
Excise duty on sales	**501.6**	1,610.6
Donations	**200.7**	4.3
Loss on sale of property, plant and equipments (net)	**0.9**	3.3
(Decrease) / increase of excise duty on inventories	**(493.8)**	46.7
Net (gain) / loss on foreign currency transactions and translations	**(25.4)**	(30.3)
Payments to auditors (net of taxes, where applicable)		
For audit	**5.2**	3.3
For other services	**1.1**	1.6
Reimbursement of expenses	**0.1**	0.1
Impairment of property, plant and equipment (Refer note 3)	**-**	203.6
Miscellaneous expenses	**808.8**	1,572.2
	8,093.6	9,916.7

	Year ended March 31, 2018	Year ended March 31, 2017
35 TAX RECONCILIATION		
Reconciliation of Income tax expense		
Profit before tax	**11,521.1**	9,677.7
Enacted income tax rate in India (%)	**34.608%**	34.608%
Income tax expenses calculated at enacted income tax rate	**3,987.2**	3,349.3
Effect of expenses that are not deductible	**5,344.4**	5,372.6
Effect of deduction claimed under chapter VI A of Income Tax Act 1961	**(9,009.3)**	(8,487.2)
Effect of income that is exempt from tax	**13.6**	(36.9)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**21.2**	4.7
Utilisation of earlier years tax losses on which no deferred tax asset was recongnised	**(49.9)**	(135.1)
Investment allowance u/s 32AC of Income Tax Act 1961	**-**	(60.7)
Others	**3.0**	
Tax Payable under MAT	**2,510.0**	2,100.0
Income tax expense recognised in the consolidated statement of profit and loss	**2,820.2**	2,106.7

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.

NOTE : 36

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

Name	Country of Incorporation	Proportion of ownership interest for the year ended	
		March 31, 2018	March 31, 2017
Parent Company			
Sun Pharma Laboratories Limited			
Direct Subsidiaries			
1 Universal Enterprises Private Limited	India	100.00%	100.00%
2 Sun Pharmaceutical Medicare Limited (Refer Note b)	India	100.00%	100.00%
Name of Associates			
3 Generic Solar Power LLP	India	28.76%	28.76%
4 Trumpcard Advisors and Finvest LLP (Refer Note b)	India	40.61%	40.61%
5 Sun Pharma Holdings (Refer Note d)	Mauritius	0.01%	0.01%

b Incorporated / Acquired 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 B.

d Proportion of Ownership Interest does not include ownership interest held by the Company through Optionally Convertible Preference Shares issued by Sun Pharma Holdings

NOTE : 37

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

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
I Contingent liabilities		
Liabilities disputed - appeals filed with respect to :		
Income tax	12,164.2	10,686.8
Excise duty	1,235.4	3,643.8
Environment cess	23.3	23.3
Note : Includes, interest till the date of demand, wherever applicable.		
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].	1,220.9	502.7
Letters of credit for imports	147.8	4.2
B Guarantees given by the bankers on behalf of the Group (Refer Note 54)	330.6	251.2

NOTE : 38

CATEGORIES OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY

₹ in Million

Particulars	As at March 31,2018		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial Assets			
Investments			
In Mutual funds	4,756.5	-	-
In Debentures/Bonds	-	645.3	-
Trade Receivables	-	-	9,049.8
Cash and cash equivalents	-	-	20.5
Bank balances other than above	-	-	20.5
Loans to employees / other parties	-	-	3,057.7
Loans to related parties	-	-	6,049.7
Other Financial Assets			
Interest accrued	-	-	20.6
Security Deposits	-	-	170.1
Refund Due from Government Authorities	-	-	2,079.4
Financial Liabilities			
Borrowings	-	-	19,209.7
Trade Payables	-	-	7,187.2
Interest accrued	-	-	193.1
Security deposits	-	-	19.7
Payables on purchase of property, plant and equipment	-	-	373.5
Temporary overdrawn bank balance as per books	-	-	18.5

Particulars	As at March 31,2017		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial Assets			
Investments			
In Mutual funds	1,675.5	-	-
In Debentures/Bonds	-	654.8	-
Trade Receivables	-	-	5,926.7
Cash and cash equivalents	-	-	33.3
Bank balances other than above	-	-	26.2
Loans to employees / other parties	-	-	9,588.1
Other Financial Assets			
Bank deposits with more than 12 months maturity	-	-	4.9
Interest accrued	-	-	20.6
Security Deposits	-	-	150.8
Insurance claim receivables	-	-	11.7
Financial Liabilities			
Borrowings	-	-	14,342.7
Trade Payables	-	-	5,264.5
Interest accrued	-	-	215.3
Security deposits	-	-	20.3
Payables on purchase of property, plant and equipment	-	-	499.7
Temporary overdrawn bank balance as per books	-	-	74.2

₹ in Million

Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period	As at March 31,2018		
	Level 1	Level 2	Level 3
Financial Assets			
Investments			
In Mutual funds	4,756.5	-	-
In Debentures/Bonds	645.3	-	-

₹ in Million

Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period	As at March 31,2017		
	Level 1	Level 2	Level 3
Financial Assets			
Investments			
In Mutual funds	1,675.5	-	-
In Debentures/Bonds	654.8	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes traded bonds and mutual funds that have quoted price. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There were no transfers between Level 1 and 2 in the period.

The management considers that the carrying amount of Current financial assets and current 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, bank balances, current investment, bank deposits maturity more than 12 months as presented on the face of the financial statements. The Group's objective for capital management is to maintain an optimum overall financial structure.
No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018.

₹ in Million

(I) Debt equity ratio	As at March 31, 2018	As at March 31, 2017
Debt (includes non-current, current borrowings and current maturities of long term debt)	19,209.7	14,342.7
Less : Cash and cash equivalents	20.5	33.3
Less : Bank balances	20.5	26.2
Less : Current investments	4,756.5	1,675.5
Less : Bank deposits maturity more than 12 months	-	4.9
Net debt	14,412.2	12,602.8
Total equity (excluding capital reserve)	11,211.5	11,885.7
Net debt to equity ratio	1.3	1.1

₹ in Million

(ii) Dividend on equity shares paid during the year	For the year March 31, 2018	For the year March 31, 2017
Dividend on equity shares		
Final dividend for the year ended March 31, 2017 ₹ 40,000 (previous year for year March 31, 2016 ₹ 40,000) per fully paid equity share. Interim dividend for the half year ended September 30, 2017 of ₹ 117,500 (previous year for year March 31, 2016 ₹ Nil) per fully paid equity share	7,875.0	2,000.0
Dividend distribution tax on above	1,603.2	407.2
Dividends not recognised at the end of the reporting period		
The Board of Directors at its meeting held on May 24, 2018 have recommended payment of final dividend of ₹ 95,000 per equity share of face value of ₹ 10 each subject to approval of the member at ensuring Annual General Meeting. The Final dividend is in addition to payment of interim dividend of ₹ 117,500 per equity share of ₹ 10 each for financial year 2017-18.		
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, 2018	For the year March 31, 2017
Dividend on Preference shares		
Final dividend for the year ended March 31, 2017 and interim dividend for the half year ended September 30, 2017 of ₹ 10 (previous year for year ended March 31, 2016 ₹ 10) per fully paid preference share	80.0	40.0
Dividend distribution tax on above	16.2	8.1
The Group has made payment of preference dividend of ₹ 10 per preference share of ₹ 100 each during the year, which is treated as final dividend		

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

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets for which loss allowances is measured using the expected credit loss		
Trade receivables		
less than 180 days	8,488.7	5,912.8
180 - 365 days	534.6	18.8
beyond 365 days	164.5	143.2
Total	9,187.8	6,074.8

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	148.1	139.1
Addition	1.0	9.0
(Reversal)	(11.1)	-
Balance at the end of the year	138.0	148.1

Other than Trade receivables, the Group has no Significant class of financial assets that are post due but not impaired.

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

₹ in Million

Particulars	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2018
Non derivative				
Preference share capital	400.0	-	-	400.0
Other borrowings*	19,000.0	-	-	19,000.0
Trade payables	7,187.1	-	-	7,187.1
Other financial liabilities	604.8	-	-	604.8
	27,191.9	-	-	27,191.9

* Includes ₹ 5,000.0 Million as at March 31, 2018 disclosed as current maturities of long term debt grouped in 'other financial liabilities' in the financial statements.

₹ in Million

Particulars	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	5,000.0	-	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 as at March 31, 2017, disclosed as current maturities of long term debt grouped in 'other financial liabilities' in the financial statements.

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 mainly from its foreign currency revenues and expenses, (primarily in US Dollars (USD), Euros (EUR) and Israeli New Shekel (ILS)). 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:

₹ in Million

Particulars	As at March 31, 2018				Total
	USD	EUR	ILS	Others	
Financial liabilities					
Trade payables	626.8	135.5	1.9	16.6	780.8
Financial assets					
Trade receivables	-	2.4	-	2.0	4.4
	626.8	137.9	1.9	18.6	785.2

₹ in Million

Particulars	As at March 31, 2017				Total
	USD	EUR	ILS	Others	
Financial liabilities					
Trade payables	203.2	23.0	5.4	1.4	233.0
	203.2	23.0	5.4	1.4	233.0

b) Sensitivity
For the years ended March 31, 2018 and March 31, 2017, every 5% strengthening in the exchange rate between the Indian Rupee and the respective major currencies for the above mentioned financial assets/liabilities would decrease Group's profit and equity by approximately ₹ 38.8 Million, ₹ 11.7 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
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. However, the Group has minimal exposure to the risk of changes in market interest rates. Primarily the Group's debt obligation is with fixed interest rates. As at the balance sheet date, the Group has not entered into any such derivatives contracts.

Commodity rate risk
Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Group's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Group's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Group's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2018, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

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, 2018	As at March 31, 2017
Sun Pharmaceutical Medicare Limited	1.0	1.0
Total	1.0	1.0

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

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	1.0	-
Add: Due to acquisitions during the year	-	1.0
Closing balance	1.0	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**

Particulars	As at March 31, 2018		As at March 31, 2017	
	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
Details of shareholders holding more than 5% in the Company	As at March 31, 2018		As at March 31, 2017	
Name of equity shareholders	No. of shares held	% of holding	No. of shares held	% of holding
Sun Pharmaceutical Industries Limited (Holding and Ultimate Holding Company)	50,000	100%	50,000	100%

No equity shares have been issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

C **PREFERENCE SHARE CAPITAL ***

Particulars	As at March 31, 2018		As at March 31, 2017	
	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
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
Details of shareholders holding more than 5% in the Company	As at March 31, 2018		As at March 31, 2017	
Name of preference shareholders	No. of shares held	% of holding	No. of shares held	% of holding
Sun Pharmaceutical Industries Limited (Holding and Ultimate Holding Company)	4,000,000	100%	4,000,000	100%

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

40,00,000 (upto March 31, 2017: 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 : 43
EARNINGS PER SHARE

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Numerator used for calculating basic and diluted earnings per share (₹ in Million)		
Profit for the year (₹ in Million)	8,833.6	7,573.5
Less: Preference dividend and dividend tax (₹ in Million)	96.3	48.1
Profit for the year (₹ in Million) - used as numerator for calculating basic and diluted earnings per share	8,737.3	7,525.4
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 ₹)	174,746	150,508

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

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 Group make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund and other Statutory Funds are made only by the Group. 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 ₹ 208.3 Million (Previous year ₹ 165.1 Million)

₹ in Million

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to Provident Fund and Family Pension Fund	**196.3**	161.5
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	**11.7**	3.5
Contribution to Labour Welfare Fund	**0.3**	0.1

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 Group 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 Group rules with corresponding charge to the Consolidated Statement of Profit and Loss amounting to ₹ 27.3 Million (Previous Year ₹ 168.3 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

Particulars	Year ended March 31, 2018 Gratuity (Funded)	Year ended March 31, 2017 Gratuity (Funded)
Expense recognised in the consolidated statement of profit and loss (Refer Note 32)		
Current service cost	**93.2**	63.2
Interest cost	**54.4**	40.8
Expected return on plan assets	**(29.7)**	(31.8)
Expense charged to the consolidated statement of profit and loss	**117.9**	72.2
Remeasurement of defined benefit obligation recognised in other comprehensive income		
Actuarial loss on defined benefit obligation	**(113.6)**	164.2
Actuarial gain on plan assets	**(4.5)**	(0.6)
Expense/(income) charged to other comprehensive income	**(118.1)**	163.6
Reconciliation of defined-benefit obligations		
Obligation as at the beginning of the year	**797.0**	539.4
Current service cost	**93.2**	63.2
Interest cost	**54.4**	40.8
Liability tranferred in / Acquisitions	**-**	19.6
Benefits paid	**(32.1)**	(30.2)
Actuarial Gains on obligations		
- due to change in demographic assumptions	**(46.7)**	(45.4)
- due to change in financial assumptions	**(169.1)**	224.7
- due to experience	**102.2**	(15.1)
Obligation as at the year end	**798.9**	797.0

₹ in Million

Particulars	As at March 31, 2018 Gratuity (Funded)	As at March 31, 2017 Gratuity (Funded)
Reconciliation of liability/(asset) recognised in the Consolidated Balance sheet		
Present value of commitments (as per Actuarial Valuation)	798.9	797.0
Fair value of plan assets	(518.4)	(433.8)
Net liability recognised in the Consolidated Balance sheet	280.5	363.2
Reconciliation of plan assets		
Plan assets as at the beginning of the year	433.8	403.2
Expected return	29.7	31.8
Actuarial gain	4.5	0.6
Employer's Contribution during the year	82.5	12.0
Assets tranferred in / Acquisitions	-	16.4
Benefits paid	(32.1)	(30.2)
Plan assets as at the year end	518.4	433.8

Particulars	Year ended March 31, 2018 Gratuity (Funded)	Year ended March 31, 2017 Gratuity (Funded)
Discount rate	7.50%	In the range of 6.81% to 7.74%
Expected return on plan assets	7.50%	In the range of 6.81% to 7.74%
Expected rate of salary increase	11.65%	In the range of 7.00% to 14.50%
Interest rate guarantee	N.A.	N.A.
Mortality	Indian Assured Lives Morality (2006-08)	Indian Assured Lives Morality (2006-08)
Attrition rate	15%	In the range of 1.00% to 13.50%
Retirement Age (years)	60	58 to 60

₹ in Million

Particulars	Year ended March 31, 2018 Gratuity (Funded)	Year ended March 31, 2017 Gratuity (Funded)
Sensitivity Analysis:		
Impact on defined benefit obligation		
Delta effect of +1% change in discount rate	(42.1)	(58.8)
Delta effect of -1% change in discount rate	47.2	68.1
Delta effect of +1% change in salary escalation rate	45.0	62.9
Delta effect of -1% change in salary escalation rate	(41.0)	(55.7)
Delta effect of +1% change in rate of employee turnover	(11.6)	(26.7)
Delta effect of -1% change in rate of employee turnover	12.9	30.6
Maturity analysis of projected benefit obligation		
31-Mar-19	99.0	65.4
31-Mar-20	97.5	66.4
31-Mar-21	92.5	71.9
31-Mar-22	93.5	69.1
31-Mar-23	81.1	72.2
Thereafter	355.2	324.5
The major categories of plan assets are as under :		
Insurer managed funds (Funded with LIC, break-up not available)	518.4	433.8
The contribution expected to be made by the group for gratuity, during financial year ending on March 31, 2019 is ₹ 143.0 Million (Previous Year ₹ 114.7 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

NOTE : 46
BORROWINGS
Details of 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 Group 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 (included in current maturities of long-term debt as at March 31, 2018)	1,000,000	5,000.0	March 22, 2019
Rated Unsecured Listed Redeemable 5,000 Non-Convertible Debentures Series 1 (Redeemed during the year)	1,000,000	5,000.0	December 22, 2017

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

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
10% Non-convertible, Non-cumulative redeemable preference shares		
Classified in following two categories		
Equity component of compound financial instrument	141.2	141.2
Liability Component of Compound Financial Instrument (included in current maturities of long-term debt as at March 31, 2018)	391.4	358.8

iii The Group does not defaulted on repayment of any loan and interest payment during the year

NOTE : 47
a RELATED PARTY DISCLOSURES AS PER ANNEXURE "A"

b LOANS GIVEN TO RELATED PARTIES

₹ in Million

Particulars	As at March 31, 2018	Maximum balance March 31, 2018	As at March 31, 2017	Maximum balance March 31, 2017
Loans outstanding from Holding Company*				
Sun Pharmaceutical Industries Limited	6,049.7	15,613.5	-	-
	6,049.7	15,613.5	-	-

* Includes interest accrued on loan amounting to ₹ 582.7 Million in March 31, 2018 and ₹ Nil in March 31, 2017.

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

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

Particulars	As at March 31, 2018	As at March 31, 2017
	Product and Sales related *	Product and Sales related *
At the commencement of the year	2,139.3	1,604.9
Add: Provision for the year	968.1	1,315.4
Less: Utilisation / Settlement	(1,211.7)	(781.0)
At the end of the year	1,895.7	2,139.3

(*) includes provision for product returns

Refer note: 2.2(n)

NOTE : 49

DEFERRED TAX LIABILITIES (NET)

₹ in Million

Particulars	Balance as at April 01, 2017	Recognised in the statement of profit and loss	Recognised in other comprehensive Income	Balance as at March 31, 2018
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.	(511.8)	(328.4)	-	(840.2)
Total Deferred tax (liabilities)	**(511.8)**	**(328.4)**	**-**	**(840.2)**
Deferred tax assets in relation to:				
Allowance for doubtful debts	51.2	(3.0)	-	48.2
Expenses claimed for tax purpose on payment basis	243.5	6.4	(45.3)	204.6
Others	10.0	14.8	3.3	28.1
Total Deferred tax Assets	**304.7**	**18.2**	**(42.0)**	**280.9**
Deferred Tax Liabilities (Net)	**(207.1)**	**(310.2)**	**(42.0)**	**(559.3)**

₹ in Million

Particulars	Balance as at April 01, 2016	Recognised in the statement of profit and 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)**

₹ 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, 2018	As at March 31, 2017
Tax losses (Capital in nature)	1,191.8	1,330.0
Tax losses	-	13.5
Unabsorbed depreciation	72.6	
Unused tax credit (MAT credit entitlement)	4,610.0	2,100.0
	5,874.4	3,443.5
The unused tax credit will expire in financial year 2032-33 and unused tax losses will expire from financial year 2021-22 to 2023-24		

NOTE : 50

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 182.6 Million (Previous year ₹ 71.9 Million) included in other expenses.

Details of CSR expenditure:

a) Gross amount required to be spent by the Company during the year 2017-18 ₹ 149.4 million (Previous year ₹ 107.7 million)

₹ in Million

Particulars	In cash	Yet to be paid in cash	Total
b) Amount spent during the year ending on March 31, 2018:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	182.6	-	182.6
b) Amount spent during the year ending on March 31, 2017:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	71.9	-	71.9

NOTE : 51

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, 2017: ₹ Nil) in respect of such associates.

NOTE : 52

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 : 53

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 ₹ 91,396.0 Million (As at March 31, 2017 ₹ 106,628.9 Million) and 6 years (As at March 31, 2017 7 years) 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 : 54

Deposits with banks are pledged with banks against Bank Guarantees.

NOTE : 55

Sale of goods includes excise duty collected from customers of ₹ 501.6 million (March 31, 2017: ₹ 1,610.6 million). Sale of goods net of excise duty is ₹ 51,694.6 million (March 31, 2017: ₹ 51,263.3 million). Revenue from operations for periods up to June 30, 2017 includes excise duty. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The group collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended March 31, 2018 is not comparable March 31, 2017.

NOTE : 56

In Compliance with IND AS 20 on Government Grants, the amount of budgetary support under Goods and Service Tax, GST Refunds, to be received from the Government of India amounting to ₹ 879.1 million in relation to the existing eligible units under the different Industrial Promotion Scheme have been recognised as "Other Operating Income". In past periods these credits were netted off from the excise cost reported in the Consolidated Statement of Profit and Loss.

NOTE : 57

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 [Refer Note 2.2 (f)]

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 [Refer Note 2.2 (q)]

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 (s)]

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 (n)]

Provision for sales return' are recongnised based on the past trend which is based on the average percentage return on sale of goods. Any changes in these estimate will impact upon the provision

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

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Any changes in these estimates will impact upon the write down value of inventories

6 Contingencies (Refer Note 37)

The Group has been advised by its legal counsel the probability of out flow of resources based on this the contingent liability has been recongnised. Any change in the estimated probability will impact upon the contingency liability.

NOTE : 58

Changes in Liabilities arising from financing activities

₹ in Million

Particulars	As at March 31, 2017	Cash Flows	Non-cash changes			As at March 31, 2018
			Acquisition / Foreign Exchange Movement	Fair Value Changes	Others	
Non-current liabilities						
Borrowings	5,358.8	-	-	-	(5,358.8)	-
Current liabilities						
Borrowings	3,983.9	9,222.8	-	-	611.6	13,818.3
Other financial liabilities	5,215.3	(5,798.9)	-	33.0	6,135.1	5,584.5
Dividend (including corporate dividend tax)	-	(9,574.4)	-	-	9,574.4	-

NOTE : 59

SEGMENT REPORTING

The Group has only one reportable segment namely "Pharmaceuticals".

The Chief Operating Decision Maker ('CODM') evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by reporatable segment.

Concentration of revenues from one of the customer of the Group was substantial for the year ended March 31, 2018 and for the year ended March 31, 2017. The said customer also represented substantial portion of the trade receivables as at March 31, 2018 and as at March 31, 2017.

As per our report of even date

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

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration no. 324982E/E300003

C. S. MURALIDHARAN
Chief Financial Officer

SUDHIR V. VALIA
Director

per RAVI BANSAL
Partner
Membership No. 49365
Mumbai, May 24, 2018

RACHANA N. KOKAL
Company Secretary

SAILESH T. DESAI
Director

KALYANASUNDARAM SUBRAMANIAN
Whole time Director & CEO
Mumbai, May 24, 2018

Ind AS- 24 - " RELATED PARTY DISCLOSURES "

ANNEXURE "A"

(I) **Names of related parties and description of relationships**

1 **Holding Company**
Sun Pharmaceutical Industries Limited

2 **Fellow Subsidiaries**

Sun Pharmaceutical Industries Inc	Sun Pharma Medisales Private Limited (Refer Footnote 5)
Aditya Acquisition Company Limited	Sun Pharmaceutical Industries (Europe) B.V.
Neetnav Real Estate Private Limited	Zenotech Laboratories Limited (w.e.f. July 27, 2017)
Ranbaxy (Thailand) Co., Ltd	Sun Pharma ANZ Pty Ltd
Taro Pharmaceutical Industries Ltd.(TARO)	Foundation for Disease Elimination and Control of India

3 **Associates**
Trumpcard Advisors and Finvest LLP (Refer Footnote 1 and 2)
Vintage Power Generation LLP (subsidiary of Trumpcard Advisors and Finvest LLP)

4 **Key Management Personnel**

Abhay A Gandhi (Refer Footnote 4)	Whole-Time Director and Chief Executive Officer
Sudhir V. Valia	Non-Executive Director
Sailesh T. Desai	Non-Executive Director
Kalyansundaram Iyer Natesan Subramanian (Refer Footnote 3)	Whole-Time Director and Chief Executive Officer

Non-Executive Director
S. Mohanchand Dadha
Rekha Sethi
Naresh Chand Singhal

5 **Others**
Makov Associates Ltd.
Shantilal Shanghvi Foundation
Alfa Infraprop Pvt. Ltd.
Sidmak Laboratories India Private Limited
Aditya Medisales Limited
Ramdev Chemicals Private Limited
Sholapur Organics Private Limited
Sun Pharma Advanced Research Company Limited
United Medisales Private Limited
Virtuous Finance Private Limited

Footnote
1 Incorporated / Acquired during the Previous year.
2 Investment in Trumpcard Advisiors and Finvest LLP with effect from March 31, 2017.
3 Mr. Kalyansundaram Iyer Natesan Subramanian appointed as whole-time Director with effect from February 13, 2017
4 Mr. Abhay A Gandhi was whole-time Director upto November 10, 2016
5 During the year 2016-17 , Solrex Pharmaceuticals Company, a partnership firm has been converted into company which is known as Sun Pharma Medisales Private Limited. Sun Pharma Medisales Private Limited has been amalgamated with Sun Pharmaceutical Industries Limited with effect from April 01, 2017 with order effective from September 06, 2017.

(II) Detail of related party transaction during the year ended March 31, 2018:

₹ in Million

Type of Transaction	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of goods	**1,896.3**	**2,322.5**
Holding Company	1,737.4	2,322.5
Others (March 31, 2017 ₹ 5,228)	158.8	0.0
Purchase of Property, Plant and Equipment	**22.5**	**17.5**
Holding Company	21.5	17.5
Others	1.0	-
Sale of goods	**51,415.3**	**577.6**
Holding Company	1,408.5	577.6
Fellow Subsidiaries	5.3	-
Others (March 31, 2017 ₹ 33,278)	50,001.5	0.0
Sale of Property, Plant and Equipment	**37.5**	**283.8**
Holding Company	36.2	283.8
Fellow Subsidiaries	1.3	-
Receiving of Service	**732.8**	**865.0**
Holding Company	317.8	423.0
Fellow Subsidiaries	28.2	35.1
Others	386.8	406.9
Reimbursement of Expenses Paid	**85.8**	**51.2**
Fellow Subsidiaries	79.5	42.1
Holding Company	4.8	9.1
Others	1.5	-
Rendering of Service	**208.2**	**269.2**
Holding Company	208.2	269.2
Reimbursement of Expenses Received	**1.6**	**2.6**
Holding Company	0.3	2.6
Others	1.3	-
Finance (including investment and equity contributions)	**0.0**	**312.5**
Associates (March 31, 2018 ₹ 30,610)	0.0	312.5
Loans / Deposit given	**34,422.1**	**9,200.0**
Holding Company	28,122.1	9,200.0
Others	6,300.0	-
Loans received back	**32,567.5**	**17,220.0**
Holding Company	22,655.1	17,220.0
Others	9,912.4	-
Purchase of Investment	**12,384.4**	**32,318.4**
Holding Company	12,384.4	32,318.4
Interest Income	**1,453.4**	**116.4**
Holding Company	647.4	116.4
Others	806.0	-
Rent Income	**42.0**	**-**
Others	42.0	-
Receipts on account of assets given under finance lease	**-**	**46.8**
Others	-	46.8
Commission on consignment sales	**5.0**	**-**
Holding Company	5.0	-
Rent expense	**25.1**	**20.0**
Fellow Subsidiaries	0.7	0.7
Holding Company	17.6	19.3
Others	6.8	-
Corporate Social Responsibility expenses	**62.8**	**52.1**
Fellow Subsidiaries	42.8	-
Others	20.0	52.1
Remuneration		
Key Management Personnel	54.6	49.1

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

Balance Outstanding as at the end of the year

₹ in Million

Particulars	As at March 31, 2018	As at March 31, 2017
Receivables	**8,323.4**	**268.3**
Holding Company	-	268.3
Fellow Subsidiaries	6.1	-
Others	8,317.3	-
Payable	**2,825.3**	**1,152.6**
Fellow Subsidiaries	91.4	45.2
Holding Company	2,568.7	1,007.4
Key management personnel	2.8	7.5
Others	162.4	92.5
Loan Given	**6,049.7**	-
Holding Company	6,049.7	-
Deposit Given	**88.1**	**87.6**
Holding Company	0.1	0.1
Fellow Subsidiaries	87.5	87.5
Others	0.5	-

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 management personnel of company.

Annexure B

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 Total Comprehensive Income (TCI)	
	As at March 31, 2017		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

(*) ₹ 1,315

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, 2018

Annexure B

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 Total Comprehensive Income (TCI)	
	As at March 31, 2018		2017-18		2017-18		2017-18	
	As % of consolidated net assets	₹ In Million	As % of consolidated profit or (loss)	₹ In Million	As % of consolidated OCI	₹ In Million	As % of consolidated (TCI)	₹ In Million
Parent Entity - Sun Pharma Laboratories Limited	100.0	196,823.7	99.2	8,762.2	117.3	78.1	99.3	8,840.3
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)	(83.9)	(0.7)	(61.3)	(17)	(11.5)	(0.8)	(72.8)
Associates (Investment as per the equity method) **India**								
1 Generic Solar Power LLP	-	-	-	-	-	-	-	-
2 Trumpcard Advisors and Finvest LLP	-	-	1.5	132.1	-	-	1.5	132.1
Foreign								
1 Sun Pharma Holdings	-	-	0.0	0.6	-	-	0.0	0.6
Intercompany Elimination and Consolidation Adjustments	0.1	120.7	-	-	-	-	-	-
Total	100.0	196,865.8	100.0	8,833.6	100.0	66.6	100.0	8,900.2

(*) ₹ (5,930)

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.

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)	-	100.00%
2	Sun Pharmaceutical Medicare Limited	16.01.2017	INR	1.00	2.5	(86.4)	3,077.1	3,161.0	-	1,100.2	(61.4)	-	(61.4)	-	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-18	31-Mar-18	31-Mar-18
	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	50,000
	Amount of Investment in Associates	0.0	444.7	6.4
	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	0.5	11.9
6	Profit / Loss for the year			
	i. Considered in Consolidation	(0.0)	132.1	0.6
	ii. Not Considered in Consolidation	(0.0)	193.2	10,445.3

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

C. S. MURALIDHARAN
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 24, 2018