INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

Emphasis of Matter

We draw attention to Note 59(11) to the standalone Ind AS financial statements. As referred to in the said Note: Remuneration to the Managing Director and the Whole-time Director(s) of the Company for the years ended 31st March, 2015, 31st March, 2016 and 31st March, 2017 are higher by ₹ 49.6 Million, ₹ 29.6 Million and ₹ 44.7 Million respectively than the amounts approved by the Central Government of India (Ministry of Corporate Affairs) on applications made by the Company to approve the maximum remuneration as approved by the members of the Company for the three years ended 31st March, 2017, in excess of the limits specified under Schedule V to the Act, in case of inadequacy of profits. The Management of the Company have re-represented to the office of the Ministry of Corporate Affairs for approval of remuneration within the overall limits approved by the members of the Company for the years ended 31st March, 2015 and 31st March, 2016, and for the year ended 31st March, 2017, applications for revision in the remuneration, as approved by the members of the Company, has been made to the Ministry of Corporate Affairs. The responses in respect of the foregoing re-representation / applications for revision are awaited from the Ministry of Corporate Affairs.

Our opinion is not modified in respect of this matter.

Other Matter

The transition date opening balance sheet of the Company as at 1st April, 2015 include the financial information of erstwhile Ranbaxy Laboratories Limited, consequent to its amalgamation into the Company which was effected on 24th March, 2015, with the appointed date of 1st April, 2014 [refer Note 59(4) to the standalone Ind AS financial statements]. The said financial information included in these standalone Ind AS financial statements are based on financial information previously prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by the other auditors, and have been restated to comply with Ind AS. Adjustments made to the financial information previously prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUN PHARMACEUTICAL INDUSTRIES LIMITED

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 40(i) to the standalone Ind AS financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Notes 25 and 30 to the standalone Ind AS financial statements.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except a sum of ₹ 13.4 Million, which is held in abeyance due to pending legal cases.

iv. The Company has provided requisite disclosures in Note 56 to the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the Management of the Company, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management of the Company.

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

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

RAJESH K. HIRANANDANI
Partner
(Membership No. 36920)

Place: Mumbai
Date: 26th May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Sun Pharmaceutical Industries Limited)

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Sun Pharmaceutical Industries Limited)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

RAJESH K. HIRANANDANI
Partner
(Membership No. 36920)

Place: Mumbai
Date: 26th May, 2017

ANNEXURE "B"
TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Sun Pharmaceutical Industries Limited)

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

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

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / agreement for sale along with registered power of attorney / consent terms taken on record by the Honorable Bombay City Civil Court at Bombay / share certificate / other documents evidencing title provided to us, we report that, the title deeds, comprising all the immovable properties of freehold land and buildings, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the freehold land and building	Cost or deemed cost as at 31st March, 2017 (₹ in Million)	Carrying amount as at 31st March, 2017 (₹ in Million)	Remarks
Freehold land located in Himachal Pradesh admeasuring 645,150 Square metres	76.3	76.3	The title deeds are in the name of Ranbaxy Laboratories Limited, erstwhile company that was merged with the Company under Sections 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Courts of Gujarat and of Punjab and Haryana.
Freehold land located in Punjab admeasuring 370,527 Square metres	27.2	27.2	
Freehold land located in Haryana admeasuring 64,161 Square metres	109.0	109.0	
Freehold land located in Madhya Pradesh admeasuring 91,330 Square metres	5.8	5.8	
Freehold land located in Karnataka admeasuring 30,362 Square metres	28.3	28.3	
Freehold land located in Punjab admeasuring 8,364 Square metres	2.5	2.5	The title of this land is under dispute in respect of which we have been informed by the Management of the Company that they have filed a Special Leave Petition with the Honorable Supreme Court against the order passed by the Honorable High Court of Punjab and Haryana and the matter is under adjudication.
Freehold land located in Chennai admeasuring 71,747 Square metres and building thereon	11.3	10.2	The titles are in the name of Tamilnadu Dadha Pharmaceuticals Limited / Pradeep Drug Company Limited, erstwhile companies that was merged with the Company under Sections 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Courts of Gujarat and of Tamilnadu / order of the New Delhi Bench of Board of Industrial and Financial Reconstruction respectively.

In respect of a building where the Company is entitled to the right of occupancy and use and disclosed as fixed assets in the standalone Ind AS financial statements, we report that the agreement / non-convertible preference shares / compulsorily convertible debentures

ANNEXURE "B"
TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Sun Pharmaceutical Industries Limited)

entitling the right of occupancy and use of building, are in the name of the Company as at the balance sheet date.

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

Particulars of the leasehold land	Cost or deemed cost as at 31st March, 2017 (₹ in Million)	Carrying amount as at 31st March, 2017 (₹ in Million)	Remarks
Located in Maharashtra admeasuring 20,000 Square metres. *represents composite consideration for land and building.	* 17.4	16.6	The lease agreements are in the name of Crosslands Research Laboratories Limited which was merged with Ranbaxy Laboratories Limited, erstwhile company that was merged with the Company under Sections 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Courts of Gujarat and of Punjab and Haryana.
Located in Goa admeasuring 18,450 Square metres	2.7	2.6	
Located in Punjab admeasuring 323,866 Square metres	213.2	208.3	The lease agreements are in the name of Ranbaxy Laboratories Limited, erstwhile company that was merged with the Company under Sections 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Courts of Gujarat and of Punjab and Haryana.
Located in Madhya Pradesh admeasuring 630,552 Square metres	222.4	217.8	
Located in Gujarat admeasuring 24,000 Square metres	0.7	0.6	The lease agreement is in the name of Gujarat Lyca Limited, erstwhile company that was merged with the Company under Sections 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court of Gujarat.

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

(iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"):

(a) In our opinion and according to the information given to us, the terms and conditions of the grant of such loan is, in our opinion, *prima facie*, not prejudicial to the interest of the Company.

(b) In respect of loans granted to a wholly owned subsidiary, where the aggregate amount involved is ₹ 4.8 Million (including interest accrued), the repayments or receipts of principal amounts and interest, where due during the year, have been regular as per stipulations and in respect of loans granted to an associate, there is no repayment or receipt of the principal amount of ₹ 512.0 Million and the interest thereon of ₹ 214.9 Million, which are overdue as per the stipulations.

ANNEXURE "B"
TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Sun Pharmaceutical Industries Limited)

(c) There is no overdue amount remaining outstanding as at the balance sheet date except in respect of amounts of ₹ 512.0 Million and ₹ 199.1 Million of principal and interest respectively, aggregating to ₹ 711.1 Million, given to an associate, which has been overdue for more than 90 days, where there is no evidence of reasonable steps having been taken for the recovery of the principal outstanding or interest receivable. As represented by the Management of the Company, the Company is evaluating various options to recover its dues in respect of the principal amount and interest.

Refer Note 59(1) to the standalone Ind AS financial statements.

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

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

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

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

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

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

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

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Sun Pharmaceutical Industries Limited)

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in Million)#	Amount paid / adjusted under protest (₹ in Million)
Income Tax Act, 1961	Income Tax, Interest and Penalty	Commissioner (Appeals)	2003-04, 2005-06, 2006-07, 2010-11 and 2012-13	2,617.2	3,923.6
		Income Tax Appellate Tribunal (ITAT)	1995-96 and 2007-08 to 2011-12	27,193.9	11,828.5
Sales Tax Act/ VAT (Various States)	Sales Tax, Interest and Penalty	Assistant / Additional / Senior Joint Commissioner	1999-00, 2000-01, 2003-04, 2004-05, 2013-14 and 2014-15	24.8	2.1
		Appellate Authority	1998-99, 2008-09, 2012-13 to 2014-15	7.2	3.1
		Tribunal	1998-99 to 2003-04, 2008-09 and 2014-15	6.1	2.3
		High Court	1999-00, 2001-02 to 2003-04 and 2005-06 to 2010-11	53.2	6.4
	Entry Tax	Madhya Pradesh Commercial Tax Appellate Board	2009-10	2.5	-
The Central Excise Act, 1944	Service Tax	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Delhi	2006 to 2015	49.7	6.8
Customs Act, 1962	Customs Duty, Penalty and Interest	Commissioner (Appeals)	2014-15	13.8	10.8
		CESTAT	2015-16	118.7	-
The Central Excise Act, 1944	Excise Duty, Interest and Penalty	Settlement Commission	2000-01	4.2	-
		Commissioner (Appeals)	2001-02 to 2015-16	50.2	5.3
		Tribunal	2002-03 to 2014-15	1,783.6	449.5
		High Court	2002-03 to 2014-15	70.9	9.7

Net of amount paid / adjusted under protest

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

(ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised money by way of initial public offer, further public offer (including debt instruments) during the year.

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

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Sun Pharmaceutical Industries Limited)

(xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in excess of the limits and approvals prescribed under Section 197 read with Schedule V to the Act, to the following managerial personnel:

Managerial Position	Excess amount of remuneration paid (₹ in Million)	Financial year ended	Treatment of the excess remuneration in the respective year standalone financial statements	Steps taken by the Company for securing refund
Managing Director	22.9	31st March, 2015	Charged to the Statement of Profit and Loss	We have been informed by the Management of the Company that they have re-represented to the office of the Ministry of Corporate Affairs for approval of remuneration within the overall limits approved by the members of the Company for the years ended 31st March, 2015 and 31st March, 2016, and that for the year ended 31st March, 2017, applications for revision in the remuneration, as approved by the members of the Company, has been made to the Ministry of Corporate Affairs. The responses in respect of the foregoing re-representation / applications for revision are awaited from the Ministry of Corporate Affairs. Refer Note 59(11) to the standalone Ind AS financial statements.
	12.3	31st March, 2016	Charged to the Statement of Profit and Loss	
	22.5	31st March, 2017	Charged to the Statement of Profit and Loss	
Whole time Director(s)	26.7	31st March, 2015	Charged to the Statement of Profit and Loss	
	17.3	31st March, 2016	Charged to the Statement of Profit and Loss	
	22.2	31st March, 2017	Charged to the Statement of Profit and Loss	

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

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

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

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

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

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

RAJESH K. HIRANANDANI
Partner
(Membership No. 36920)

Place: Mumbai
Date: 26th May, 2017

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2017

₹ in Million

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3	38,319.4	35,163.4	31,187.3
(b) Capital work-in-progress		10,533.2	7,654.0	10,863.2
(c) Intangible assets	4	484.6	582.8	699.8
(d) Intangible assets under development		453.9	23.3	42.7
(e) Investments in the nature of equity in subsidiaries	5	192,442.4	222,445.2	257,025.7
(f) Investments in the nature of equity in associates	6	-	21.2	21.2
(g) Financial assets				
(i) Investments	7	1,067.8	514.9	898.7
(ii) Loans	8	48.5	108.1	160.5
(iii) Other financial assets	9	990.0	1,818.7	1,435.8
(h) Deferred tax assets (Net)	10	7,517.0	7,517.0	7,517.0
(i) Income tax assets (Net)	11	17,826.3	10,062.5	6,589.7
(j) Other non-current assets	12	4,100.6	3,590.9	4,242.2
Total non-current assets		**273,783.7**	**289,502.0**	**320,683.8**
(2) Current assets				
(a) Inventories	13	22,866.2	21,321.5	21,892.5
(b) Financial assets				
(i) Investments	14	400.1	735.6	850.7
(ii) Trade receivables	15	27,256.7	19,978.1	17,915.1
(iii) Cash and cash equivalents	16	1,507.8	1,543.4	1,932.0
(iv) Bank balances other than (iii) above	17	130.3	147.7	2,232.6
(v) Loans	18	138.2	187.0	708.4
(vi) Other financial assets	19	671.8	215.9	1,183.7
(c) Other current assets	20	10,727.5	9,033.4	7,502.9
Total current assets		**63,698.6**	**53,162.6**	**54,217.9**
TOTAL ASSETS		**337,482.3**	**342,664.6**	**374,901.7**

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2017

₹ in Million

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	21	2,399.3	2,406.6	2,071.2
(b) Share suspense account	59 (4)	-	-	334.8
(c) Other equity	22	206,315.8	216,500.4	236,123.2
Total equity		**208,715.1**	**218,907.0**	**238,529.2**
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	7,606.4	19,228.4	11,653.6
(ii) Other financial liabilities	24	6.8	4.9	215.9
(b) Provisions	25	11,328.3	18,251.3	22,790.5
Total non-current liabilities		**18,941.5**	**37,484.6**	**34,660.0**
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	26	40,540.4	37,337.2	42,375.6
(ii) Trade payables	27	20,942.0	17,724.5	15,767.7
(iii) Other financial liabilities	28	28,135.4	17,793.0	34,291.4
(b) Other current liabilities	29	1,738.0	1,622.2	2,240.0
(c) Provisions	30	18,469.9	11,796.1	7,037.8
Total current liabilities		**109,825.7**	86,273.0	101,712.5
Total liabilities		**128,767.2**	123,757.6	136,372.5
TOTAL EQUITY AND LIABILITIES		**337,482.3**	342,664.6	374,901.7

See accompanying notes 1 to 59 to the standalone financial statements

In terms of our report attached

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

RAJESH K. HIRANANDANI
Partner
Mumbai, May 26, 2017

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

DILIP S. SHANGHVI
Managing Director

UDAY V. BALDOTA
Chief Financial Officer

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director

Mumbai, May 26, 2017

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
(I) Revenue from operations	31	78,067.0	78,636.9
(II) Other income	32	5,144.1	4,450.9
(III) Total income (I + II)		**83,211.1**	**83,087.8**
(IV) Expenses			
Cost of materials consumed	33	22,845.2	18,383.1
Purchases of stock-in-trade		12,365.0	11,700.0
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(1,627.9)	(143.8)
Employee benefits expense	35	14,861.7	14,766.9
Finance costs	36	2,235.6	5,741.0
Depreciation and amortisation expense	3 & 4	4,185.6	4,642.5
Other expenses	37	28,670.3	38,117.4
Total expenses (IV)		**83,535.5**	**93,207.1**
(V) Loss before exceptional item and tax (III - IV)		**(324.4)**	(10,119.3)
(VI) Exceptional item	59 (3)	-	(701.3)
(VII) Loss before tax (V + VI)		**(324.4)**	(10,820.6)
(VIII) Tax expense - current tax	39	25.1	54.5
(IX) Loss for the year (VII - VIII)		(349.5)	(10,875.1)
(X) Other comprehensive income			
A) Items that will not be reclassified to profit or loss			
a. Remeasurements of the defined benefit plans		(600.1)	(266.8)
b. Equity instruments through other comprehensive income		(7.1)	18.9
Total - (A)		**(607.2)**	**(247.9)**
B) Items that may be reclassified to profit or loss			
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge - (B)		(26.6)	-
Total other comprehensive income (A+B)		(633.8)	(247.9)
(XI) Total comprehensive income for the year (IX+X)		**(983.3)**	**(11,123.0)**
Earnings per equity share (face value per equity share - ₹ 1)	47		
Basic (in ₹)		(0.1)	(4.5)
Diluted (in ₹)		(0.1)	(4.5)

See accompanying notes 1 to 59 to the standalone financial statements

In terms of our report attached

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

RAJESH K. HIRANANDANI
Partner
Mumbai, May 26, 2017

For and on behalf of the Board of Directors of
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Wholetime Director

Mumbai, May 26, 2017

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	Equity share capital	Share suspense account [Refer Note 59 (4)]	Other equity											Total
			Share application money pending allotment	Reserves and surplus								Other comprehensive income (OCI)		
				Capital reserve	Securities premium reserve	Debenture redemption reserve	Share options outstanding account	Amalgamation reserve	Capital redemption reserve	General reserve	Retained earnings	Equity instrument through OCI	Effective portion of cash flow hedges	
Balance as at April 01, 2015	2,071.2	334.8	149.0	36,660.0	18,220.3	750.0	82.1	43.8	-	34,029.3	146,184.5	4.2	-	238,529.2
Loss for the year	-	-	-	-	-	-	-	-	-	-	(10,875.1)	-	-	(10,875.1)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	*(266.8)	18.9	-	(247.9)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	**(11,141.9)**	**18.9**	-	**(11,123.0)**
Payment of dividend	-	-	-	-	-	-	-	-	-	-	(7,219.5)	-	-	(7,219.5)
Corporate dividend tax	-	-	-	-	-	-	-	-	-	-	(1,469.7)	-	-	(1,469.7)
Recognition of share-based payments to employees	-	-	-	-	-	-	98.8	-	-	-	-	-	-	98.8
Issue of equity shares	0.6	-	(142.3)	-	232.9	-	-	-	-	-	-	-	-	91.2
Issue of equity shares pursuant to the scheme of amalgamation [Refer Note 59 (4)]	334.8	(334.8)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from debenture redemption reserve on repayment of debentures	-	-	-	-	-	(750.0)	-	-	-	750.0	-	-	-	-
Transfer on exercise of share options	-	-	-	-	132.0	-	(132.0)	-	-	-	-	-	-	-
Balance as at March 31, 2016	**2,406.6**	-	**6.7**	**36,660.0**	**18,585.2**	-	**48.9**	**43.8**	-	**34,779.3**	**126,353.4**	**23.1**	-	**218,907.0**
Loss for the year	-	-	-	-	-	-	-	-	-	-	(349.5)	-	-	(349.5)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	*(600.1)	(7.1)	(26.6)	(633.8)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	**(949.6)**	**(7.1)**	**(26.6)**	**(983.3)**
Payment of dividend	-	-	-	-	-	-	-	-	-	-	(2,406.8)	-	-	(2,406.8)
Corporate dividend tax	-	-	-	-	-	-	-	-	-	-	(74.7)	-	-	(74.7)
Recognition of share-based payments to employees	-	-	-	-	-	-	32.3	-	-	-	-	-	-	32.3
Issue of equity shares	0.2	-	(6.7)	-	31.3	-	-	-	-	-	-	-	-	24.8
Buy-back of equity shares [Refer Note 59 (13)]	(7.5)	-	-	-	(6,742.5)	-	-	-	-	-	-	-	-	(6,750.0)
Expenditure on buy-back of equity shares	-	-	-	-	(34.2)	-	-	-	-	-	-	-	-	(34.2)
Transfer to capital redemption reserve on buy-back of equity shares	-	-	-	-	-	-	-	-	7.5	-	(7.5)	-	-	-
Transfer on exercise of share options	-	-	-	-	54.8	-	(54.8)	-	-	-	-	-	-	-
Balance as at March 31, 2017	**2,399.3**	-	**#0.0**	**36,660.0**	**11,894.6**	-	**26.4**	**43.8**	**7.5**	**34,779.3**	**122,914.8**	**16.0**	**(26.6)**	**208,715.1**

* Represents remeasurements of defined benefit plans
# (March 31, 2017: ₹ 7,177)
See accompanying notes 1 to 59 to the standalone financial statements

In terms of our report attached

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

RAJESH K. HIRANANDANI
Partner
Mumbai, May 26, 2017

UDAY V. BALDOTA
Chief Financial Officer

SUNIL R. AJMERA
Company Secretary

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

DILIP S. SHANGHVI
Managing Director

SUDHIR V. VALIA
Wholetime Director

SAILESH T. DESAI
Wholetime Director

Mumbai, May 26, 2017

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

		Year ended March 31, 2017	Year ended March 31, 2016
A.	**Cash flow from operating activities**		
	Loss before tax	(324.4)	(10,820.6)
	Adjustments for:		
	Depreciation and amortisation expense	4,185.6	4,642.5
	Impairment of property, plant and equipment and intangible assets (disclosed as an exceptional item)	-	701.3
	Loss on sale/write off of property, plant and equipment and intangible assets, net	110.2	82.3
	Finance costs	2,235.6	5,741.0
	Interest income	(229.3)	(362.4)
	Dividend income	(2,040.7)	(394.5)
	Net gain arising on financial assets measured at fair value through profit or loss	(16.1)	(5.7)
	Gain on sale of financial assets measured at fair value through profit or loss	(186.0)	(178.2)
	Gain on sale of investment in subsidiary	(2,307.8)	(3,242.2)
	Gain on sale of investment in associate	(120.3)	-
	Provision / write off for doubtful trade receivables / advances	38.5	1,232.1
	Sundry balances written back, net	(25.4)	(50.0)
	Expense recognised in respect of share based payments to employees	30.8	90.6
	Impairment of non-current investment in associate [₹ Nil (Previous year ₹ 16,380)]	-	0.0
	Provision in respect of losses of a subsidiary	165.4	122.9
	Net unrealised foreign exchange gain	(2,387.3)	(726.3)
	Operating loss before working capital changes	**(871.2)**	**(3,167.2)**
	Movements in working capital:		
	(Increase)/ decrease in inventories	(1,544.7)	570.9
	Increase in trade receivables	(6,802.7)	(3,049.6)
	Increase in other assets	(1,815.4)	(1,681.8)
	Increase in trade payables	3,378.9	1,761.4
	Increase/ (decrease) in other liabilities	7.0	(1,167.4)
	Decrease in provisions	(802.5)	(2,283.9)
	Cash used in operations	**(8,450.6)**	**(9,017.6)**
	Income tax paid (net of refund)	(7,788.9)	(3,527.3)
	Net cash used in operating activities (A)	**(16,239.5)**	**(12,544.9)**
B.	**Cash flow from investing activities**		
	Payments for purchase of property, plant and equipment (including capital work-in-progress, intangible assets and intangible assets under development)	(10,879.0)	(5,639.4)
	Proceeds from disposal of property, plant and equipment and intangible assets	70.1	144.5
	Loans / Inter corporate deposits		
	Given to a subsidiary company	(0.4)	-
	Received back / matured from		
	Subsidiary companies	4.8	0.4
	Others	-	251.5
	Purchase of investments		
	Subsidiary companies	(6.1)	(163.5)
	Associate [₹ Nil (Previous year ₹ 16,380)]	-	0.0
	Others	(176,388.7)	(131,969.1)
	Proceeds from sale / redemption of investments		
	Subsidiary companies	32,318.4	38,468.5
	Associate	141.5	-
	Others	176,366.3	132,268.1
	Bank balances not considered as cash and cash equivalents		
	Fixed deposits placed	-	(30.1)
	Fixed deposits matured	13.7	2,116.8
	Margin money placed	-	(0.2)
	Interest received	165.8	550.0

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Dividend received from		
Subsidiary companies	2,040.7	394.3
Others ₹ 20,000	0.0	0.2
Net cash generated by investing activities (B)	**23,847.1**	**36,392.0**
C. Cash flow from financing activities		
Proceeds from issue of equity shares on exercise of stock options / share application money received	24.8	91.3
Proceeds from borrowings		
Subsidiary company	9,200.0	35,480.0
Others	53,590.4	72,231.3
Repayment of borrowings		
Subsidiary company	(17,219.9)	(27,545.7)
Others	(42,431.5)	(89,805.8)
Payment for buy-back of equity shares	(6,750.0)	-
Payment for share buy-back expenses	(34.2)	-
Net decrease in working capital demand loans	-	(1,800.0)
Finance costs (includes borrowing costs capitalised)	(1,435.5)	(3,644.9)
Dividend paid	(2,399.2)	(7,216.8)
Tax on dividend	(74.7)	(1,469.7)
Net cash used in financing activities (C)	**(7,529.8)**	**(23,680.3)**
Net increase in cash and cash equivalents (A+B+C)	77.8	166.8
Cash and cash equivalents at the beginning of the year	1,380.5	1,208.5
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(8.6)	5.2
Cash and cash equivalents at the end of the year	**1,449.7**	**1,380.5**

Note:

₹ in Million

	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents comprises of		
Balances with banks		
In current accounts	1,497.2	1,534.1
Cheques on hand	4.2	3.8
Cash on hand	6.4	5.5
Cash and cash equivalents (Refer Note 16)	1,507.8	1,543.4
Less:- cash credit facilities included under loans repayable on demand in note 26	58.1	162.9
Cash and cash equivalents in cash flow statement	1,449.7	1,380.5

See accompanying notes 1 to 59 to the standalone financial statements

In terms of our report attached

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

RAJESH K. HIRANANDANI
Partner
Mumbai, May 26, 2017

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

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Managing Director

UDAY V. BALDOTA
Chief Financial Officer

SUDHIR V. VALIA
Wholetime Director

SUNIL R. AJMERA
Company Secretary

SAILESH T. DESAI
Wholetime Director

Mumbai, May 26, 2017

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

1. General information

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

2. Significant accounting policies

2.1 Statement of compliance

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

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

These are the Company's first Ind AS financial statements. Refer Note 52 for the details of first-time adoption exemptions availed by the Company.

2.2 Basis of preparation and presentation

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

a. Operating Cycle

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

b. Foreign currency

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

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

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

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

c. Segment Reporting

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

d. Property, plant and equipment

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

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

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

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

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

Depreciation is recognised so as to write off the cost of assets (other than freehold land and Capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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	60-99
Factory Buildings	30
Buildings other than Factory Buildings	60
Buildings given under operating lease	30
Plant and equipment	3-20
Plant and equipment given under operating lease	15
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.

Research and development

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

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

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

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

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

The consideration for acquisition of intangible asset which is based on reaching specific milestone that are dependent on the Company's future activity is

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

recognised only when the activity requiring the payment is performed.

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

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

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

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

De-recognition of intangible assets

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

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

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

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

g. Impairment of non-financial assets

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

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

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

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

h. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised.

i. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

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

Debt instrument at FVTOCI

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

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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Debt instrument at FVTPL

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

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

Equity instruments

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

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

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

Derecognition

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost
b) Financial assets that are debt instruments and are measured as at FVTOCI
c) Lease receivables under Ind AS 17
d) Trade receivables or any contractual right to receive cash or another financial asset
e) Loan commitments which are not measured as at FVTPL

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Compound financial instruments

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

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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Financial liabilities subsequently measured at amortised cost

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

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

Financial guarantee contracts

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

Derecognition

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

Embedded derivatives

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

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.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, full currency swap, options and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

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

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

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

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

(i) ***Fair value hedges***

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

(ii) ***Cash flow hedges***

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

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

Treasury shares

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

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.

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.

Company as a lessee

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

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

Company as a lessor

Rental income from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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

k. Inventories

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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l. Cash and cash equivalents

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

For the purpose of the 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.

m. Provisions, contingent liabilities and contingent assets

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

Restructuring

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

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefit expected to be received from the contract.

Contingent liabilities and contingent assets

Contingent liability is disclosed for,

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

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

Contingent Assets are not recognised in the financial statements.

n. Revenue

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

Sale of goods

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

Provisions for 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,

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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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.

o. Government grants

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

p. Employee benefits

Defined benefit plans

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

Termination benefits

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

Short-term and Other long-term employee benefits

A liability is recognised for benefits accruing to

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

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

Defined contribution plans

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

Share-based payment arrangements

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, on a straight line basis, over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

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

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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Note 3

PROPERTY, PLANT AND EQUIPMENT

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

₹ in Million

	Freehold land	Leasehold land	Buildings	Buildings - leased #	Plant and equipment	Plant and equipment - leased #	Furniture and fixtures	Vehicles	Office equipment	Total
At cost or deemed cost										
As at April 01, 2015	530.9	562.4	8,605.9	16.9	19,955.9	19.4	643.0	466.2	386.7	31,187.3
Additions	10.2	-	2,475.5	-	6,516.1	-	165.7	68.8	84.7	9,321.0
Disposals	-	-	(9.7)	-	(132.7)	(19.4)	(3.4)	(105.0)	(6.4)	(276.6)
As at March 31, 2016	541.1	562.4	11,071.7	16.9	26,339.3	-	805.3	430.0	465.0	40,231.7
Additions	370.3	-	1,054.8	-	5,621.9	-	51.4	108.1	134.9	7,341.4
Disposals	-	-	-	-	(258.9)	-	(15.5)	(84.2)	(12.4)	(371.0)
As at March 31, 2017	**911.4**	**562.4**	**12,126.5**	**16.9**	**31,702.3**	**-**	**841.2**	**453.9**	**587.5**	**47,202.1**
Accumulated depreciation and impairment										
As at April 01, 2015	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	6.9	442.6	0.5	3,603.1	1.2	139.6	101.4	124.9	4,420.2
Impairment losses recognised in profit or loss @	-	-	218.6	-	473.5	-	5.4	0.7	2.4	700.6
Eliminated on disposals of assets	-	-	(0.1)	-	(37.3)	(1.2)	(0.8)	(12.3)	(0.8)	(52.5)
As at March 31, 2016	-	6.9	661.1	0.5	4,039.3	-	144.2	89.8	126.5	5,068.3
Depreciation expense	-	6.9	368.2	0.5	3,284.8	-	129.7	95.9	121.2	4,007.2
Eliminated on disposals of assets	-	-	-	-	(148.7)	-	(5.3)	(35.1)	(3.7)	(192.8)
As at March 31, 2017	**-**	**13.8**	**1,029.3**	**1.0**	**7,175.4**	**-**	**268.6**	**150.6**	**244.0**	**8,882.7**
Carrying amount										
As at April 01, 2015	530.9	562.4	8,605.9	16.9	19,955.9	19.4	643.0	466.2	386.7	31,187.3
As at March 31, 2016	541.1	555.5	10,410.6	16.4	22,300.0	-	661.1	340.2	338.5	35,163.4
As at March 31, 2017	**911.4**	**548.6**	**11,097.2**	**15.9**	**24,526.9**	**-**	**572.6**	**303.3**	**343.5**	**38,319.4**

Footnotes

(i) Borrowing cost capitalised during the year Nil (March 31, 2016 : ₹ 62.1 Million).

(ii) Buildings include ₹ 8,620 (As at March 31, 2016 : ₹ 8,620 ; As at April 01, 2015 : ₹ 8,620) towards cost of shares in a co-operative housing society and also includes ₹ 1.1 Million (As at March 31, 2016 : ₹ 1.1 Million; As at April 01, 2015 : ₹ 1.1 Million) and ₹ 1,133.0 Million (As at March 31, 2016 : ₹ 1,133.0 Million; As at April 01, 2015 : ₹ 1,133.0 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.

(iii) For details of assets pledged as security refer Note 51.

(iv) Freehold land includes land valued at ₹ 25.5 Million (As at March 31, 2016 : ₹ 25.5 Million, As at April 01, 2015 : ₹ 25.5 Million) pending registration in the name of the Company.

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

(vi) The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount at the date of transition to Ind AS. Refer Note 52.

@ Refer Note 59 (3)

Refer Note 49

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 4

INTANGIBLE ASSETS

Other than internally generated

Following are the changes in the carrying value of intangible assets

₹ in Million

	Computer Software	Product related intangibles	Total
At cost or deemed cost			
As at April 01, 2015	591.8	108.0	699.8
Additions	67.5	41.2	108.7
Disposals	(3.2)	-	(3.2)
As at March 31, 2016	656.1	149.2	805.3
Additions	73.1	8.6	81.7
Disposals	(9.8)	-	(9.8)
As at March 31, 2017	**719.4**	**157.8**	**877.2**
Accumulated amortisation and impairment			
As at April 01, 2015	-	-	-
Amortisation expense	193.4	28.9	222.3
Impairment losses recognised in profit or loss @	0.7	-	0.7
Eliminated on disposals of assets	(0.5)	-	(0.5)
As at March 31, 2016	**193.6**	**28.9**	**222.5**
Amortisation expense	157.0	21.4	178.4
Eliminated on disposals of assets	(8.3)	-	(8.3)
As at March 31, 2017	**342.3**	**50.3**	**392.6**
Carrying amount			
As at April 01, 2015	591.8	108.0	699.8
As at March 31, 2016	462.5	120.3	582.8
As at March 31, 2017	**377.1**	**107.5**	**484.6**

Footnotes

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

(ii) The Company has elected to measure all its Intangible assets at the previous GAAP carrying amount at the date of transition to Ind AS. Refer Note 52.

@ Refer Note 59 (3)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 5

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

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	₹ in Million	Quantity	₹ in Million	Quantity	₹ in Million
Equity instruments - Unquoted (At cost less impairment in value of investments, if any)						
Sun Pharmaceutical Industries, Inc.						
Common shares of no par value	8,387,666	304.2	8,387,666	304.2	8,387,666	304.2
SUN Farmaceutica do Brasil Ltda						
Quota of Capital Stock of Real 1 each fully paid	4,019	18.3	4,019	18.3	4,019	18.3
Sun Pharma De Mexico, S.A. DE C.V.						
Common Shares of no Face Value	750	3.3	750	3.3	750	3.3
Sun Pharmaceutical (Bangladesh) Limited						
Ordinary Shares of 100 Takas each fully paid	434,469	36.5	434,469	36.5	434,469	36.5
Share Application Money		31.6		31.6		31.6
Sun Pharmaceutical Peru S.A.C.						
Ordinary Shares of Soles 10 each fully paid	149	0.0	149	0.0	149	0.0
[₹ 21,734 (March 31, 2016: ₹ 21,734; April 01, 2015: ₹ 21,734)]						
SPIL DE Mexico S.A. DE CV						
Nominative and free Shares of 500 Mexican Pesos each fully paid	100	0.2	100	0.2	100	0.2
OOO "Sun Pharmaceutical Industries" Limited						
Par value rouble stock fully paid	-	8.8	-	8.8	-	8.8
5,250,000 Rouble (March 31, 2016: 5,250,000 Rouble; April 01, 2015: 5,250,000 Rouble)						
Green Eco Development Centre Limited						
Shares of ₹ 10 each fully paid	700,000	7.0	100,000	1.0	100,000	1.0
Sun Pharma De Venezuela, C.A.						
Shares of Bolivars (Bs.F.) 100 each, Bolivars (Bs.F.) 50 per share paid	1,000	0.5	1,000	0.5	1,000	0.5
Sun Pharma Laboratories Limited						
Shares of ₹ 10 each fully paid	50,000	1.5	50,000	1.5	50,000	1.5
Faststone Mercantile Company Private Limited						
Shares of ₹ 10 each fully paid	10,000	0.1	10,000	0.1	10,000	0.1

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	₹ in Million	Quantity	₹ in Million	Quantity	₹ in Million
Foundation for Disease Elimination and Control of India						
Shares of ₹ 10 each fully paid	10,000	0.1	-	-	-	-
Neetnav Real Estate Private Limited						
Shares of ₹ 10 each fully paid	10,000	0.1	10,000	0.1	10,000	0.1
Realstone Multitrade Private Limited						
Shares of ₹ 10 each fully paid	10,000	0.1	10,000	0.1	10,000	0.1
Skisen Labs Private Limited						
Shares of ₹ 10 each fully paid	16,360,000	163.6	16,360,000	163.6	10,000	0.1
Softdeal Trading Company Private Limited						
Shares of ₹ 10 each fully paid	10,000	0.1	10,000	0.1	10,000	0.1
Sun Pharma Holdings						
Shares of USD 1 each fully paid	855,199,716	54,031.5	855,199,716	54,031.5	855,199,716	54,031.5
Share Application Money		-		-		3.1
Vidyut Investments Limited						
Shares of ₹ 10 each fully paid	25,008,400	250.1	25,008,400	250.1	25,008,400	250.1
Less: Impairment in value of investment		(239.0)		(239.0)		(239.0)
		11.1		11.1		11.1
Ranbaxy Drugs Limited						
Shares of ₹ 10 each fully paid	3,100,020	31.0	3,100,020	31.0	3,100,020	31.0
Gufic Pharma Limited						
Shares of ₹ 100 each fully paid	4,900	535.2	4,900	535.2	4,900	535.2
Ranbaxy (Netherlands) B.V.						
Ordinary Shares of Euro 100 each fully paid	5,473,340	39,877.3	5,473,340	39,875.8	5,473,340	39,868.0
Ranbaxy Pharmacie Generiques SAS						
Ordinary Shares of Euro 1 each fully paid	24,117,250	4,709.1	24,117,250	4,709.1	24,117,250	4,709.1
Less: Impairment in value of investment		(4,709.1)		(4,709.1)		(4,709.1)
		-		-		-
Ranbaxy Malaysia Sdn. Bhd.						
Ordinary Shares of RM 1 each fully paid	3,189,248	37.0	3,189,248	37.0	3,189,248	36.9
Ranbaxy Nigeria Limited						
Ordinary Shares of Naira 1 each fully paid	13,070,648	8.6	13,070,648	8.5	13,070,648	8.3
		95,107.7		**95,100.0**		**94,931.5**
Preference shares - Unquoted (At cost)						
Sun Pharma Holdings						
5% Optionally Convertible Preference Shares USD 1 each fully paid	1,540,593,148	97,334.7	2,015,593,148	127,345.2	2,565,593,148	162,094.2
		192,442.4		**222,445.2**		**257,025.7**
Aggregate amount of investments before impairment		197,390.5		227,393.3		261,973.8
Aggregate amount of impairment in value of investments		4,948.1		4,948.1		4,948.1

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 6

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

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	₹ in Million	Quantity	₹ in Million	Quantity	₹ in Million
Equity instruments - (At cost less impairment in value of investments, if any)						
Quoted						
Zenotech Laboratories Limited *						
Shares of ₹ 10 each fully paid	16,128,078	2,463.5	16,128,078	2,463.5	16,127,293	2,463.5
Less: Impairment in value of investment		(2,463.5)		(2,463.5)		(2,463.5)
		-		-		-
Unquoted						
Daiichi Sankyo (Thailand) Limited						
Ordinary Shares of Bahts 100 each fully paid	-	-	206,670	21.2	206,670	21.2
		-		21.2		21.2
Market value of quoted investment		570.1		541.9		729.8

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

Note 7

INVESTMENTS (NON-CURRENT)

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	₹ in Million	Quantity	₹ in Million	Quantity	₹ in Million
Investments in subsidiaries						
Preference shares - Unquoted						
Sun Pharma Laboratories Limited						
10% Non-Convertible, Non-Cumulative Redeemable Preference Shares of ₹ 100 each fully paid	4,000,000	400.0	4,000,000	400.0	4,000,000	400.0
Ranbaxy Drugs Limited						
10% Non-Convertible Redeemable Preference Shares of ₹ 10 each fully paid.	250	0.0	250	0.0	250	0.0
₹ 2,500 [March 31, 2016: ₹ 2,500; April 01, 2015: ₹ 2,500]						
Alkaloida Chemical Company Zrt.						
2% Redeemable Preference Shares of $ 15 each fully paid at a premium of $ 35 per share	-	-	-	-	150,000	402.6
		400.0		**400.0**		**802.6**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	₹ in Million	Quantity	₹ in Million	Quantity	₹ in Million
Other investments						
Investments in equity instruments						
Quoted						
Krebs Biochemicals and Industries Limited						
Shares of ₹ 10 each fully paid	1,050,000	105.1	1,050,000	112.3	1,050,000	93.5
Unquoted						
Enviro Infrastructure Co. Limited						
Shares of ₹ 10 each fully paid	100,000	1.0	100,000	1.0	100,000	1.0
Shimal Research Laboratories Limited						
Shares of ₹ 10 each fully paid	9,340,000	934.0	9,340,000	934.0	9,340,000	934.0
Less: Impairment in value of investment		(934.0)		(934.0)		(934.0)
		-		-		-
Shivalik Solid Waste Management Limited						
Shares of ₹ 10 each fully paid	20,000	0.2	20,000	0.2	20,000	0.2
Biotech Consortium India Limited						
Shares of ₹ 10 each fully paid	50,000	0.5	50,000	0.5	50,000	0.5
Less: Impairment in value of investment		(0.5)		(0.5)		(0.5)
		-		-		-
Nimbua Greenfield (Punjab) Limited						
Shares of ₹ 10 each fully paid	140,625	1.4	140,625	1.4	140,625	1.4
		107.7		**114.9**		**96.1**
Investments in government securities						
Quoted						
Government of Rajasthan UDAY non -SLR bond						
7.75% Bond of ₹ 1 each fully paid maturing June 23, 2018	27,400,000	27.1	-	-	-	-
Government of Rajasthan UDAY non -SLR bond						
7.86% Bond of ₹ 1 each fully paid maturing June 23, 2019	27,400,000	27.3	-	-	-	-
Government of Rajasthan UDAY non -SLR bond						
8.01% Bond of ₹ 1 each fully paid maturing June 23, 2020	27,400,000	27.5	-	-	-	-
Government of Rajasthan UDAY non -SLR bond						
8.21% Bond of ₹ 1 each fully paid maturing June 23, 2025	100,000,000	103.7	-	-	-	-
Government of Rajasthan UDAY non -SLR bond						
8.39% Bond of ₹ 1 each fully paid maturing June 23, 2026	200,000,000	214.8	-	-	-	-
Government of Uttar Pradesh UDAY non -SLR bond						
8.21% Bond of ₹ 1 each fully paid maturing June 23, 2026	150,000,000	159.7	-	-	-	-
Unquoted						
National savings certificates		0.0		0.0		0.0
[₹ 10,000 (March 31, 2016: ₹ 10,000; April 01, 2015: ₹ 10,000)]						
		560.1		**0.0**		**0.0**
Investments (non-current)		**1,067.8**		**514.9**		**898.7**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	₹ in Million	Quantity	₹ in Million	Quantity	₹ in Million
Aggregate book value (carrying value) of quoted investments		665.2		112.3		93.5
Aggregate amount of quoted investments at market value		665.2		112.3		93.5
Aggregate amount of unquoted investments before impairment		1,337.1		1,337.1		1,739.7
Aggregate amount of impairment in value of investments		934.5		934.5		934.5

Note 8

LOANS (NON-CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans to employees / others			
Secured, considered good	16.0	23.0	40.3
Unsecured, considered good	32.5	80.7	115.8
Loans to related parties (Refer Note 53 & 54)			
Unsecured, considered good	-	4.4	4.4
	48.5	**108.1**	**160.5**

Note 9

OTHER FINANCIAL ASSETS (NON-CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deposits - Pledged with Government Authorities	1.0	1.0	1.0
Security deposits	377.5	375.5	423.3
Derivatives not designated as hedges	611.5	1,442.2	1,011.5
	990.0	**1,818.7**	**1,435.8**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 10

DEFERRED TAX ASSETS (NET)

₹ in Million

	Opening balance April 01, 2015	Recognised in profit or loss	Closing balance March 31, 2016
Deferred tax (liabilities) / assets 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	(3,794.9)	437.9	(3,357.0)
Difference in carrying value and tax base of financial assets and liabilities	(286.5)	(32.9)	(319.4)
Other liabilities	(177.1)	(6.0)	(183.1)
Allowance for doubtful debts and advances	381.8	362.4	744.2
Expenses claimed for tax purpose on payment basis	434.5	(57.3)	377.2
Unabsorbed depreciation / carried forward losses	3,128.3	(697.1)	2,431.2
Other assets	313.9	(7.0)	306.9
	-	-	-
MAT credit entitlement	7,517.0	-	7,517.0
	7,517.0	**-**	**7,517.0**

₹ in Million

	Opening balance April 01, 2016	Recognised in profit or loss	Closing balance March 31, 2017
Deferred tax (liabilities) / assets 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	(3,357.0)	(968.1)	(4,325.1)
Difference in carrying value and tax base of financial assets and liabilities	(319.4)	319.4	-
Other liabilities	(183.1)	173.9	(9.2)
Allowance for doubtful debts and advances	744.2	(1.0)	743.2
Expenses claimed for tax purpose on payment basis	377.2	424.5	801.7
Unabsorbed depreciation / carried forward losses	2,431.2	65.9	2,497.1
Other assets	306.9	(14.6)	292.3
	-	-	-
MAT credit entitlement	7,517.0	-	7,517.0
	7,517.0	-	7,517.0

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :			
Tax losses	78,498.4	67,846.5	52,222.5
Tax losses (Capital in nature)	757.1	757.1	757.1
Unabsorbed depreciation	24,900.1	19,897.1	15,259.9
Unused tax credits (MAT credit entitlement)	2,874.3	3,497.3	3,689.5
Deductible temporary differences	25,892.5	28,057.5	27,089.5
	132,922.4	**120,055.5**	**99,018.5**

The unused tax credits will expire from financial year 2017-18 to financial year 2023-24 and unused tax losses will expire from financial year 2017-18 to financial year 2025-26.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 11

INCOME TAX ASSETS (NET) (NON-CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advance income tax [Net of provisions ₹ 10,894.5 Million (March 31, 2016 : ₹ 10,894.5 Million; April 01, 2015 : ₹ 10,894.5 Million)]	17,826.3	10,062.5	6,589.7
	17,826.3	**10,062.5**	**6,589.7**

Note 12

OTHER NON-CURRENT ASSETS

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Capital advances	2,918.3	2,467.4	2,827.6
Prepaid expenses	16.3	28.8	11.5
Balances with government authorities	1,154.0	1,070.0	1,368.6
Other assets	12.0	24.7	34.5
	4,100.6	**3,590.9**	**4,242.2**

Note 13

INVENTORIES

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Lower of cost and net realisable value			
Raw materials and packing materials	7,020.0	7,041.7	8,117.5
Goods in transit	298.0	602.3	323.4
	7,318.0	7,644.0	8,440.9
Work-in-progress	8,403.4	7,229.3	7,567.1
Finished goods	6,053.2	5,621.2	4,191.4
Stock-in-trade	462.1	379.3	1,326.7
Goods in transit	-	61.0	61.8
	462.1	440.3	1,388.5
Stores, spares and other materials	629.5	386.7	304.6
	22,866.2	**21,321.5**	**21,892.5**

(i) Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write downs of inventories amounted to ₹ 7,863.9 Million (March 31, 2016: ₹ 7,503 Million; April 01, 2015: ₹ 7,007.1 Million). The changes in write downs are recognised as an expense in the statement of profit and loss.

(ii) For details of inventories pledged as security refer Note 51.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 14

INVESTMENTS (CURRENT)

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Quantity	₹ in Million	Quantity	₹ in Million	Quantity	₹ in Million
Investments in mutual funds						
Unquoted *						
ICICI Prudential Mutual Fund-ICICI Prudential Money Market Fund-Direct Plan Growth						
Units of ₹ 100 each fully paid	-	-	-	-	1,810,104	350.2
ICICI Prudential Mutual Fund-ICICI Prudential Liquid - Direct Plan - Growth						
Units of ₹ 100 each fully paid	1,662,199	400.1	-	-	-	-
Pramerica Mutual Fund-Pramerica Liquid Fund-Direct Plan-Growth Option fully paid						
Units of ₹ 1000 each fully paid	-	-	-	-	335,039	500.5
		400.1		**-**		**850.7**
Investments in commercial paper						
Unquoted						
Housing Development Finance Corporation Limited						
Commerical paper of ₹ 500,000 units fully paid	-	-	1,000	491.0	-	-
JM Financial Products Ltd						
Commerical paper of ₹ 500,000 units fully paid	-	-	500	244.6	-	-
		-		**735.6**		**-**
		400.1		**735.6**		**850.7**

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

Note 15

TRADE RECEIVABLES

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured			
Considered good	27,256.7	19,978.1	17,915.1
Considered doubtful	1,209.7	1,304.5	580.9
	28,466.4	21,282.6	18,496.0
Less : Allowance for doutful debts (expected credit loss allowance)	(1,209.7)	(1,304.5)	(580.9)
	27,256.7	**19,978.1**	**17,915.1**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 16

CASH AND CASH EQUIVALENTS

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with banks			
In current accounts	1,497.2	1,534.1	1,870.4
In deposit accounts with original maturity less than 3 months	-	-	13.7
Cheques on hand	4.2	3.8	40.0
Cash on hand	6.4	5.5	7.9
	1,507.8	**1,543.4**	**1,932.0**

Note 17

BANK BALANCES OTHER THAN DISCLOSED IN NOTE 16 ABOVE

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deposit accounts	0.8	14.5	2,104.0
Earmarked balances with banks			
Unpaid Dividend Accounts	59.3	63.0	58.6
Balances held as margin money or security against guarantees and other commitments (*)	70.2	70.2	70.0
	130.3	**147.7**	**2,232.6**

* having original maturity of more than 12 months.

Note 18

LOANS (CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans to employees / others			
Secured, considered good	4.0	4.6	13.6
Unsecured, considered good	134.2	182.4	456.4
Considered doubtful	4.5	4.5	4.5
Less : Allowance for doubtful loans	(4.5)	(4.5)	(4.5)
Loans to related parties (Refer Note 53 & 54)			
Unsecured, considered good	-	-	238.4
Considered doubtful	512.0	512.0	274.0
Less : Allowance for doubtful loans	(512.0)	(512.0)	(274.0)
	138.2	**187.0**	**708.4**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 19

OTHER FINANCIAL ASSETS (CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Interest accrued			
Considered good	0.1	-	114.4
Considered doubtful	214.9	151.5	-
Less : Allowance for doubtful	(214.9)	(151.5)	-
	0.1	-	114.4
Insurance claim receivables	1.6	6.4	6.6
Security deposits	35.3	70.2	60.6
Other receivables	40.5	46.9	69.4
Derivatives not designated as hedges	594.3	92.4	932.7
	671.8	**215.9**	**1,183.7**

Note 20

OTHER CURRENT ASSETS

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Export incentives receivable	2,159.1	1,936.4	1,500.3
Prepaid expenses	327.4	200.3	526.7
Advances for supply of goods and services			
Considered good	1,930.2	1,131.6	856.5
Considered doubtful	206.3	184.2	185.1
Less : Allowance for doubtful	(206.3)	(184.2)	(185.1)
	1,930.2	1,131.6	856.5
Balances with government authorities	6,278.6	5,758.1	4,530.7
Other assets	32.2	7.0	88.7
	10,727.5	**9,033.4**	**7,502.9**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 21

EQUITY SHARE CAPITAL

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

	As at March 31, 2017		As at March 31, 2016	
	Number of shares	₹ in Million	Number of shares	₹ in Million
Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of reporting period (As at April 01, 2015, excluding share suspense account)				
Opening balance	2,406,605,118	2,406.6	2,071,163,910	2,071.2
Add : shares allotted pursuant to the scheme of amalgamation [Refer Note 59(4)]	-	-	334,770,248	334.8
Add : shares allotted to employees on exercise of employee stock option (excluding shares held by ESOP trust)	155,697	0.2	670,960	0.6
Less : buy-back of shares [Refer Note 59 (13)]	(7,500,000)	(7.5)	-	-
Closing balance	**2,399,260,815**	**2,399.3**	**2,406,605,118**	**2,406.6**
The movement of equity shares issued to ESOP Trust at face value is as follows: (As at April 01, 2015, excluding share suspense account)				
Opening balance	123,381	0.1	-	-
Add : shares allotted pursuant to the scheme of amalgamation [Refer Note 59(4)]	-	-	186,516	0.2
Add : shares allotted to the ESOP Trust	-	-	160,000	0.1
Less : shares allotted by ESOP Trust on exercise of employee stock option	(93,015)	(0.1)	(223,135)	(0.2)
Closing balance (March 31, 2017: ₹ 30,366)	**30,366**	**0.0**	**123,381**	**0.1**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Equity shares held by each shareholder holding more than 5 percent equity shares (As at April 01, 2015, excluding share suspense account) in the Company are as follows:

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

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

(ii) 334,956,764 (upto March 31, 2016: 334,956,764; upto April 01, 2015: Nil) equity shares of ₹ 1 each have been allotted, pursuant to scheme of amalgamation, without payment being received in cash during the period of five years immediately preceding the date at which the Balance Sheet is prepared. [Refer Note 59(4)]

(iii) 7,500,000 (upto March 31, 2016: Nil, upto April 01, 2015: Nil) equity shares of ₹ 1 each have been bought back during the period of five years immediately preceding the date at which the Balance Sheet is prepared. The shares bought back in the current year were cancelled immediately. [Refer Note 59 (13)]

(iv) Rights, Preference and Restrictions attached to equity shares: The Equity Shares of the Company, having par value of ₹ 1 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

(v) Refer Note 50 for number of employee stock options against which equity shares are to be issued by the Company / ESOP Trust upon vesting and exercise of those stock options.

Note 22

OTHER EQUITY

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Refer statement of changes in equity for detailed movement in other equity balance			
A) Share application money pending allotment (March 31, 2017: ₹ 7,177) [Refer Note 59 (12)]	0.0	6.7	149.0
B) Reserve and surplus			
Capital reserve	36,660.0	36,660.0	36,660.0
Securities premium reserve	11,894.6	18,585.2	18,220.3
Debenture redemption reserve	-	-	750.0
Share options outstanding account	26.4	48.9	82.1
Amalgamation reserve	43.8	43.8	43.8
Capital redemption reserve	7.5	-	-
General reserve	34,779.3	34,779.3	34,029.3
Retained earnings	122,914.8	126,353.4	146,184.5
	206,326.4	**216,470.6**	**235,970.0**
C) Items of other comprehensive income (OCI)			
Equity instrument through OCI	16.0	23.1	4.2
Effective portion of cash flow hedges	(26.6)	-	-
	(10.6)	23.1	4.2
	206,315.8	**216,500.4**	**236,123.2**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Nature and purpose of each reserve

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

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

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

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

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

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

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

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

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

Note 23

BORROWINGS (NON-CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Term loan from department of biotechnology (Refer Note 51)			
Secured	108.2	77.3	77.3
Term loans from banks (Refer Note 51)			
Unsecured	7,498.2	19,151.1	11,576.3
	7,606.4	**19,228.4**	**11,653.6**

Note 24

OTHER FINANCIAL LIABILITIES (NON-CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Interest accrued	6.8	4.9	3.4
Derivatives not designated as hedge	-	-	212.5
	6.8	**4.9**	**215.9**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 25

PROVISIONS (NON-CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Employee benefits (Refer Note 48)	2,443.8	1,659.5	1,610.6
Others (Refer Note 55)	8,884.5	16,591.8	21,179.9
	11,328.3	**18,251.3**	**22,790.5**

Note 26

BORROWINGS (CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans repayable on demand			
From Banks			
Secured (Refer Note 51)	198.1	2,560.5	2,739.0
Unsecured	25,021.5	26,756.8	27,223.4
Loans from related party			
Loans repayable on demand (Unsecured)	-	8,019.9	65.7
Other loans			
Commercial paper (Unsecured)	15,320.8	-	12,347.5
	40,540.4	**37,337.2**	**42,375.6**

Note 27

TRADE PAYABLES

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Dues to micro and small enterprises (Refer Note 46)	116.7	87.4	94.0
Others	20,825.3	17,637.1	15,673.7
	20,942.0	**17,724.5**	**15,767.7**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 28

OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current maturities of long-term debt (Refer Note 51)	12,319.3	1,722.8	13,838.7
Interest accrued	63.1	91.8	221.7
Unpaid dividends	76.7	72.8	65.7
Security deposits	135.3	132.3	140.3
Payables on purchase of property, plant and equipment	1,143.3	838.5	699.1
Product settlement, claims, recall charges and trade commitments	14,298.5	14,674.5	14,276.4
Derivatives not designated as hedge	72.6	216.1	4,869.6
Derivatives designated as hedge	26.6	-	-
Others	-	44.2	179.9
	28,135.4	**17,793.0**	**34,291.4**

Note 29

OTHER CURRENT LIABILITIES

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Statutory remittances	1,385.4	1,339.0	1,196.4
Advance from customers	348.7	275.4	1,035.8
Others	3.9	7.8	7.8
	1,738.0	**1,622.2**	**2,240.0**

Note 30

PROVISIONS (CURRENT)

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Employee benefits (Refer Note 48)	754.8	611.5	404.6
Provision in respect of losses of a subsidiary	1,602.6	1,569.8	1,286.6
Others (Refer Note 55)	16,112.5	9,614.8	5,346.6
	18,469.9	**11,796.1**	**7,037.8**

Note 31

REVENUE FROM OPERATIONS

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products (including excise duty)	75,237.9	72,540.9
Other operating revenues	2,829.1	6,096.0
	78,067.0	**78,636.9**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 32

OTHER INCOME

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Interest income on :		
Bank deposits at amortised cost	0.7	41.1
Loans at amortised cost	89.4	99.6
Investments in debt instruments at amortised cost	2.9	11.6
Investments in debt instruments at fair value through other comprehensive income	6.6	-
Other financial assets carried at amortised cost	107.7	133.2
Others	22.0	76.9
	229.3	**362.4**
Dividend income on investments		
Subsidiary	2,040.7	394.3
Others (March 31, 2017: ₹ 20,000)	0.0	0.2
	2,040.7	**394.5**
Net gain arising on financial assets measured at fair value through profit or loss	16.1	5.7
Gain on sale of financial assets measured at fair value through profit or loss	186.0	178.2
Gain on sale of investment in subsidiary	2,307.8	3,242.2
Gain on sale of investment in associate	120.3	-
Sundry balances written back, net	25.4	50.0
Insurance claims	24.8	31.4
Lease rental and hire charges	188.8	182.6
Miscellaneous income	4.9	3.9
	5,144.1	**4,450.9**

Note 33

COST OF MATERIALS CONSUMED

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Raw materials and packing materials		
Inventories at the beginning of the year	7,644.0	8,440.9
Purchases during the year	22,519.2	17,586.2
Inventories at the end of the year	(7,318.0)	(7,644.0)
	22,845.2	**18,383.1**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 34

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

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Inventories at the beginning of the year	13,290.8	13,147.0
Inventories at the end of the year	(14,918.7)	(13,290.8)
	(1,627.9)	**(143.8)**

Note 35

EMPLOYEE BENEFITS EXPENSE

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	13,663.2	13,092.8
Contribution to provident and other funds	819.3	1,028.2
Share based payments to employees	30.8	90.6
Staff welfare expenses	348.4	555.3
	14,861.7	**14,766.9**

Note 36

FINANCE COSTS

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense for financial liabilities carried at amortised cost	1,013.6	2,898.7
Interest expense others	4.4	66.2
Exchange differences regarded as an adjustment to borrowing costs	779.8	2,238.1
Unwinding of discounts on provisions	437.8	538.0
	2,235.6	**5,741.0**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 37

OTHER EXPENSES

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Consumption of materials, stores and spare parts	4,278.7	4,230.7
Conversion and other manufacturing charges	2,276.2	1,984.9
Power and fuel	3,451.7	3,704.8
Rent	221.1	393.1
Rates and taxes	1,078.8	866.1
Insurance	419.8	454.1
Selling and distribution	4,555.8	4,535.0
Commission on sales	472.4	441.4
Repairs and maintenance	2,110.8	2,172.3
Printing and stationery	325.7	297.5
Travelling and conveyance	1,755.6	1,754.2
Freight outward and handling charges	1,601.3	2,032.2
Communication	262.4	324.9
Provision / write off for doubtful trade receivables / advances	38.5	1,232.1
Professional, legal and consultancy	3,810.9	6,309.1
Excise duty on sales	1,092.4	1,304.3
Donations	15.8	26.8
Loss on sale/write off of property, plant and equipment, net	110.2	82.3
(Decrease) / increase of excise duty on inventories	(49.4)	138.4
Net (gain) / loss on foreign currency transactions [includes exchange gain of ₹ 132.6 million (Previous year exchange loss of ₹ 160.3 Million) in respect of provision for losses of a subsidiary]	(1,745.7)	2,752.2
Payments to auditors (net of input credit, where applicable)		
For audit [includes Nil (Previous year ₹ 0.7 Million) in respect of previous year]	24.8	22.9
For other services	11.0	25.3
Reimbursement of expenses	0.4	0.6
Impairment of non-current investment in associate (March 31, 2016: ₹ 16,380)	-	0.0
Provision in respect of losses of a subsidiary	165.4	122.9
Miscellaneous expenses	2,385.7	2,909.3
	28,670.3	**38,117.4**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 38

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

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	2,848.1	2,699.3
Contribution to provident and other funds	135.1	161.9
Staff welfare expenses	46.7	71.3
Consumption of materials, stores and spare parts	2,815.9	2,747.5
Power and fuel	342.8	378.9
Rent	54.9	96.9
Rates and taxes	241.7	128.0
Insurance	37.3	39.3
Repairs and maintenance	468.0	451.0
Printing and stationery	31.1	30.2
Travelling and conveyance	132.8	138.7
Communication	40.6	53.8
Professional, legal and consultancy	1,196.1	1,464.6
Loss on sale/write off of property, plant and equipment, net	(0.4)	0.6
Miscellaneous expenses	647.3	575.9
	9,038.0	**9,037.9**
Less :		
Net interest income	0.1	2.1
Receipts from research activities	747.0	1,271.7
Miscellaneous income	9.2	13.9
	8,281.7	**7,750.2**

Note 39

TAX RECONCILIATION

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Reconciliation of tax expense		
Profit/(loss) before tax	(324.4)	(10,820.6)
Enacted income tax rate (%) applicable to the Company #	34.608%	34.608%
Income tax credit calculated at enacted income tax rate	(112.3)	(3,744.8)
Effect of income that is exempt from tax	(1,505.8)	(1,258.6)
Effect of expenses that are not deductible	77.7	358.8
Effect of incremental deduction on account of research and development and other allowances	(2,959.5)	(2,438.3)
Investment allowance u/s 32AC of Income Tax Act, 1961	(234.5)	(259.4)
Withholding tax in respect of income earned outside India	25.1	54.5
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	4,734.4	7,342.3
Income tax expense recognised in profit or loss	**25.1**	**54.5**

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 Indian Tax Law.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 40

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

₹ in Million

			As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
i	**Contingent liabilities**				
	a	Claims against the Company not acknowledged as debts	355.0	149.4	127.1
	b	Liabilities disputed - appeals filed with respect to :			
		Income tax on account of disallowances / additions	45,998.3	19,026.8	11,087.7
		Sales tax on account of rebate / classification	45.7	38.8	37.9
		Excise duty on account of valuation / cenvat credit	1,102.2	1,016.1	164.5
		ESIC contribution on account of applicability	132.8	0.2	0.2
		Service tax on certain services performed outside India under reverse charge basis	-	-	156.0
		Drug Price Equalisation Account [DPEA] on account of demand towards unintended benefit, enjoyed by the Company	3,488.2	3,326.4	3,248.0
		Demand by JDGFT for import duty with respect to import alleged to be in excess of entitlement as per the advanced license scheme	16.7	15.4	15.4
		Fine imposed for anti-competitive settlement agreement by European Commission	715.4	773.0	689.1
		Octroi demand on account of rate difference	171.0	171.0	171.0
		Other matters - state electricity board, Punjab Land Preservation Act related matters etc.	67.5	88.3	136.3
	Legal Proceedings The Company and / or its subsidiaries are involved in various legal proceedings including product liability, contracts, employment claims, anti-trust and other regulatory matters relating to conduct of its business. The Company records a provision in the financial statements to the extent that it concludes that a liability is probable and estimable based on the status of these cases, advice of the counsel, management assessment of the likely damages etc. The Company carries product liability insurance / is contractually indemnified by the manufacturer, for an amount it believes is sufficient for its needs. In respect of other claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defences the ultimate disposition of these matters are not expected to have material adverse effect on its Financial Statements.				
	c	Others :			
		Trade commitments	-	-	530.6
		Letter of comfort on behalf of subsidiaries, to the extent of limits	-	-	2873.1
	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**				
	a	Estimated amount of contracts remaining to be executed on capital account [net of advances].	4,235.4	3,098.8	2,535.8
	b	Uncalled liability on partly paid investments	0.5	0.5	0.5
	c	For derivatives related commitments refer Note 45			
	d	For non-cancellable lease related commitments refer Note 49			
	e	Letters of credit for imports	2,312.0	740.2	1,020.5
iii	**Guarantees given by the bankers on behalf of the Company**		**1,961.3**	**502.1**	**435.9**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 41

RESEARCH AND DEVELOPMENT EXPENDITURE

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Revenue, net (excluding depreciation) (Refer Note 38)	8,281.7	7,750.2
Capital	1,392.3	543.7
Total	**9,674.0**	**8,293.9**

Note 42

CATEGORIES OF FINANCIAL INSTRUMENTS

₹ in Million

	As at March 31, 2017		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments / bonds - quoted	-	665.2	-
Equity instruments / Preference shares / Mutual fund - unquoted	802.7	-	-
Government securities - unquoted (₹ 10,000)	-	-	0.0
Loans to employees / others	-	-	186.7
Deposits Account - Pledged with Government Authorities	-	-	1.0
Security deposits	-	-	412.8
Trade receivables	-	-	27,256.7
Cash and cash equivalents	-	-	1,507.8
Bank balances other than above	-	-	130.3
Interest accrued	-	-	0.1
Insurance claim receivables	-	-	1.6
Other receivables	-	-	40.5
Mandatorily measured :			
Derivatives not designated as hedges	1,205.8	-	-
	2,008.5	**665.2**	**29,537.5**
Financial liabilities			
Borrowings	-	-	60,466.1
Interest accrued	-	-	69.9
Trade payables	-	-	20,942.0
Unpaid dividends	-	-	76.7
Security deposits	-	-	135.3
Payables on purchase of property, plant and equipment	-	-	1,143.3
Product settlement, claims, recall charges and trade commitments	-	-	14,298.5
Derivatives designated as hedges	26.6	-	-
Mandatorily measured :			
Derivatives not designated as hedges	72.6	-	-
	99.2	**-**	**97,131.8**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

₹ in Million

	As at March 31, 2016		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments / bonds - quoted	-	112.3	-
Equity instruments / Preference shares / Mutual fund - unquoted	402.6	-	-
Government securities - unquoted (₹ 10,000)	-	-	0.0
Commercial paper - unquoted	-	-	735.6
Loans to related parties	-	-	4.4
Loans to employees / others	-	-	290.7
Deposits Account - Pledged with Government Authorities	-	-	1.0
Security deposits	-	-	445.7
Trade receivables	-	-	19,978.1
Cash and cash equivalents	-	-	1,543.4
Bank balances other than above	-	-	147.7
Insurance claim receivables	-	-	6.4
Other receivables	-	-	46.9
Mandatorily measured :			
Derivatives not designated as hedges	1,534.6	-	-
	1,937.2	**112.3**	**23,199.9**
Financial liabilities			
Borrowings	-	-	58,288.4
Interest accrued	-	-	96.7
Trade payables	-	-	17,724.5
Unpaid dividends	-	-	72.8
Security deposits	-	-	132.3
Payables on purchase of property, plant and equipment	-	-	838.5
Product settlement, claims, recall charges and trade commitments	-	-	14,674.5
Others	-	-	44.2
Mandatorily measured :			
Derivatives not designated as hedges	216.1	-	-
	216.1	**-**	**91,871.9**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	As at April 01, 2015		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
Investments			
Equity instruments / bonds - quoted	-	93.5	-
Equity instruments / Preference shares / Mutual fund - unquoted	1,655.9	-	-
Government securities - unquoted (₹ 10,000)	-	-	0.0
Loans to related parties	-	-	242.8
Loans to employees / others	-	-	626.1
Deposits Account - Pledged with Government Authorities	-	-	1.0
Security deposits	-	-	483.9
Trade receivables	-	-	17,915.1
Cash and cash equivalents	-	-	1,932.0
Bank balances other than above	-	-	2,232.6
Interest accrued	-	-	114.4
Insurance claim receivables	-	-	6.6
Other receivables	-	-	69.4
Mandatorily measured :			
Derivatives not designated as hedges	1,944.2	-	-
	3,600.1	**93.5**	**23,623.9**
Financial liabilities			
Borrowings	-	-	67,867.9
Interest accrued	-	-	225.1
Trade payables	-	-	15,767.7
Unpaid dividends	-	-	65.7
Security deposits	-	-	140.3
Payables on purchase of property, plant and equipment	-	-	699.1
Product settlement, claims, recall charges and trade commitments	-	-	14,276.4
Others	-	-	179.9
Mandatorily measured :			
Derivatives not designated as hedges	5,082.1	-	-
	5,082.1	**-**	**99,222.1**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 43

FAIR VALUE HIERARCHY

₹ in Million

	As at March 31, 2017		
	Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period			
Financial assets			
Investments in equity - quoted #	105.1	-	-
Investments in equity - unquoted	-	-	2.6
Investments in government securities	560.1	-	-
Investments in preference shares	-	-	400.0
Mutual funds	400.1	-	-
Derivatives not designated as hedges	-	1,205.8	-
	1,065.3	**1,205.8**	**402.6**
Financial liabilities			
Derivatives not designated as hedges	-	72.6	-
Derivatives designated as hedges	-	26.6	-
	-	**99.2**	**-**

₹ in Million

	As at March 31, 2016		
	Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period			
Financial assets			
Investments in equity - quoted #	112.3	-	-
Investments in equity - unquoted	-	-	2.6
Investments in preference shares	-	-	400.0
Derivatives not designated as hedges	-	1534.6	-
	112.3	**1,534.6**	**402.6**
Financial liabilities			
Derivatives not designated as hedges	-	216.1	-
	-	**216.1**	**-**

₹ in Million

	As at April 01, 2015		
	Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period			
Financial assets			
Investments in equity - quoted #	93.5	-	-
Investments in equity - unquoted	-	-	2.6
Investments in preference shares	-	-	802.6

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	As at April 01, 2015		
	Level 1	Level 2	Level 3
Mutual funds	850.7	-	-
Derivatives not designated as hedges	-	1,944.2	-
	944.2	**1,944.2**	**805.2**
Financial liabilities			
Derivative not designated as hedge	-	5,082.1	-
	-	**5,082.1**	**-**

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

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

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

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

These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at fair value through other comprehensive income as the management believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

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

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

Reconciliation of Level 3 fair value measurements

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Unlisted shares valued at fair value		
Balance at the beginning of the year	402.6	805.2
Purchases	-	-
Issues	-	-
Disposal / settlements	-	(402.6)
Balance at the end of the year	**402.6**	**402.6**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 44

CAPITAL MANAGEMENT

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

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

(i) Debt equity ratio

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Debt (includes non-current, current borrowings and current maturities of long term debt)	60,466.1	58,288.4	67,867.9
Less : cash and cash equivalents	1,507.8	1,543.4	1,932.0
Net debt	**58,958.3**	**56,745.0**	**65,935.9**
Total equity	208,715.1	218,907.0	238,529.2
Net debt to total equity ratio	28.2%	25.9%	27.6%

(ii) Dividend on equity shares paid during the year

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Dividend on equity shares		
Final dividend for the year ended March 31, 2016 of ₹ 1.0 (previous year for year ended March 31, 2015 ₹ 3.0) per fully paid share	2,406.8	7,219.5
Dividend distribution tax on above	74.7	1,469.7
Dividends not recognised at the end of the reporting period		
The Board of Directors at its meeting held on May 26, 2017 have recommended payment of final dividend of ₹ 3.5 per share of face value of ₹ 1 each for the year ended March 31, 2017. The same amounts to ₹ 8,397.6 Million.		
This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and hence not recognised as liability.		

Note 45

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Financial assets for which loss allowances is measured using the expected credit loss			
Trade receivables			
less than 180 days	21,052.2	16,775.5	15,059.8
180 - 365 days	3,555.6	2,335.8	1,506.7
beyond 365 days	3,858.6	2,171.3	1,929.5
Total	**28,466.4**	**21,282.6**	**18,496.0**

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Movement in the expected credit loss allowance on trade receivables		
Balance at the beginning of the year	1,304.5	580.9
Addition	72.6	728.0
Write - offs	-	-
Recoveries	(167.4)	(4.4)
Balance at the end of the year	1,209.7	1,304.5

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 has unutilised working capital lines from banks of ₹ 32,128.0 Million as on March 31, 2017, ₹ 27,718.7 Million as on March 31, 2016, ₹ 30,177.9 Million as on April 01, 2015

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2017
Non derivative				
Borrowings	53,042.1	7,555.7	75.7	60,673.5
Trade payables	20,942.0	-	-	20,942.0
Other financial liabilities	15,816.1	6.8	-	15,822.9
	89,800.2	**7,562.5**	**75.7**	**97,438.4**
Derivative				
Forward exchange contracts	99.2	-	-	99.2
	99.2	**-**	**-**	**99.2**

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	As at March 31, 2016
Non derivative				
Borrowings	39,060.0	19,246.3	46.4	58,352.7
Trade payables	17,724.5	-	-	17,724.5
Other financial liabilities	16,070.2	4.9	-	16,075.1
	72,854.7	**19,251.2**	**46.4**	**92,152.3**
Derivative				
Forward exchange contracts	160.7	-	-	160.7
Currency options	55.4	-	-	55.4
	216.1	**-**	**-**	**216.1**

₹ in Million

	Less than 1 year	1 - 3 years	More than 3 years	As at April 01, 2015
Non derivative				
Borrowings	56,403.7	11,641.4	61.8	68,106.9
Trade payables	15,767.7	-	-	15,767.7
Other financial liabilities	20,452.7	3.4	-	20,456.1
	92,624.1	**11,644.8**	**61.8**	**104,330.7**
Derivative				
Forward exchange contracts	4,869.6	212.5	-	5,082.1
	4,869.6	**212.5**	**-**	**5,082.1**

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Foreign exchange risk

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US Dollars, Euros, South African Rand and Russian Rouble) and foreign currency borrowings (primarily in US Dollars). 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. Consequently, the Company uses both derivative and non-derivative financial instruments, such as foreign exchange forward contracts, option contracts, currency swap contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

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

₹ in Million

	As at March 31, 2017					
	US Dollars	Euro	Russian Rouble	South African Rand	Others	Total
Financial assets						
Trade receivables	11,804.4	1,918.4	1,723.5	5,046.2	1,117.9	21,610.4
Cash and cash equivalents	909.6	37.3	18.0	-	11.7	976.6
	12,714.0	**1,955.7**	**1,741.5**	**5,046.2**	**1,129.6**	**22,587.0**
Financial liabilities						
Borrowings	37,356.5	-	-	-	-	37,356.5
Trade payables	4,828.8	882.5	0.3	161.4	270.1	6,143.1
Product settlement, claims, recall charges and trade commitments	14,298.5	-	-	-	-	14,298.5
	56,483.8	**882.5**	**0.3**	**161.4**	**270.1**	**57,798.1**

₹ in Million

	As at March 31, 2016					
	US Dollars	Euro	Russian Rouble	South African Rand	Others	Total
Financial assets						
Trade receivables	10,164.3	1,620.1	1,194.1	2,087.2	986.3	16,052.0
Cash and cash equivalents	1,179.4	69.1	26.0	-	23.2	1,297.7
	11,343.7	**1,689.2**	**1,220.1**	**2,087.2**	**1,009.5**	**17,349.7**
Financial liabilities						
Borrowings	50,092.6	-	-	-	-	50,092.6
Trade payables	5,132.4	1,250.5	2.6	149.1	464.1	6,998.7
Product settlement, claims, recall charges and trade commitments	14,674.5	-	-	-	-	14,674.5
	69,899.5	**1,250.5**	**2.6**	**149.1**	**464.1**	**71,765.8**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	As at April 01, 2015					
	US Dollars	Euro	Russian Rouble	South African Rand	Others	Total
Financial assets						
Trade receivables	10,786.1	1,159.9	1,240.4	579.8	739.4	14,505.6
Cash and cash equivalents	400.4	13.2	70.2	-	53.2	537.0
	11,186.5	**1,173.1**	**1,310.6**	**579.8**	**792.6**	**15,042.6**
Financial liabilities						
Borrowings	45,435.4	-	-	-	-	45,435.4
Trade payables	1,752.8	471.2	63.4	1.1	259.5	2,548.0
Product settlement, claims, recall charges and trade commitments	14,276.4	-	-	-	-	14,276.4
	61,464.6	**471.2**	**63.4**	**1.1**	**259.5**	**62,259.8**

b) ***Sensitivity***

For the years ended March 31, 2017, March 31, 2016 and April 01, 2015, every 5% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets/liabilities would decrease the Company's loss and increase the Company's equity by approximately ₹ 1,760.6 Million, ₹ 2,720.8 Million and ₹ 2,360.9 Million respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect.

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

c) ***Derivative contracts***

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

Hedges of highly probable forecasted transactions

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

In respect of the aforesaid hedges of highly probable forecasted transactions, the Company has recorded a loss of ₹ 26.6 Million for the year ended March 31, 2017 and ₹ Nil for the year ended March 31, 2016 in other comprehensive income. The Company also recorded hedges as a component of revenue, loss of ₹ 521.5 Million for the year ended March 31, 2017 and ₹ Nil for the year ended March 31, 2016 on occurrence of forecasted sale transaction.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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

Amount in Million

	Currency	Buy / Sell	Cross Currency	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Derivatives designated as hedges						
Forward contracts	ZAR	Sell	USD	$ 22.0	-	-
Derivatives not designated as hedges						
Forward contracts	USD	Sell	INR	-	$ 140.0	$ 350.0
Forward contracts	USD	Buy	INR	$ 22.5	$ 14.0	$ 170.0
Forward contracts	AUD	Sell	USD	$ 1.3	-	-
Forward contracts	RUB	Sell	USD	$ 12.0	-	-
Currency cum interest rate swaps	USD	Buy	INR	$ 50.0	$ 50.0	$ 100.0
Currency options	USD	Buy	INR	$ 100.0	$ 100.0	$ 100.0
Currency options *	USD	Buy	INR	-	$ 1.0	$ 71.0
Interest rate swaps	USD	Buy	INR	$ 150.0	$ 40.0	-
Currency swaps	USD	Buy	INR	-	-	$ 30.0
Forward contracts	ZAR	Sell	INR	-	-	ZAR 42.5

* structured options @ 2 to 2.5 times

Interest rate risk

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

For the years ended March 31, 2017 and March 31, 2016, every 50 basis point decrease in the floating interest rate component applicable to its loans and borrowings would decrease the Company's loss by approximately ₹ 160.5 Million and ₹ 221.5 Million respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

Commodity rate risk

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 46

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

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

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Principal amount remaining unpaid to any supplier as at the end of the accounting year	116.7 (Interest - Nil)	87.4 (Interest - Nil)	94.0 (Interest - Nil)
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
The amount of interest due and payable for the year	-	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-
	116.7	**87.4**	**94.0**

Note 47

EARNINGS PER SHARE

	Year ended March 31, 2017	Year ended March 31, 2016
Loss for the year (₹ in Million)- used as numerator for calculating earnings per share	(349.5)	(10,875.1)
Weighted average number of shares used in computing basic earnings per share	2,403,319,673	2,406,379,179
Add : Dilution effect of employee stock option	203,455	1,059,730
Weighted average number of shares used in computing diluted earnings per share	2,403,523,128	2,407,438,909
Nominal value per share (in ₹)	1	1
Basic earnings per share (in ₹)	(0.1)	(4.5)
Diluted earnings per share (in ₹)	(0.1)	(4.5)

Since the Company has loss for the year and in the previous year, the impact of employee stock option is anti dilutive. Therefore the basic and diluted earnings per share are the same.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 48

EMPLOYEE BENEFIT PLANS

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 ₹ 608.1 Million (Previous year ₹ 587.9 Million).

₹ in Million

	Year ended March 31, 2017	Year ended March 31, 2016
Contribution to Provident Fund and Family Pension Fund	507.3	474.7
Contribution to Superannuation Fund	74.9	90.3
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	25.8	22.8
Contribution to Labour Welfare Fund	0.1	0.1

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

Defined benefit plan

a) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the 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.

b) Pension fund

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

These plans typically expose the 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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 ₹ 331.0 Million (Previous Year ₹ 313.8 Million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

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

₹ in Million

	Year ended March 31, 2017			Year ended March 31, 2016		
	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)	Pension Fund (Unfunded)	Provident Fund (Funded)	Gratuity (Funded)
Expense recognised in the statement of profit and loss (Refer Note 35)						
Current service cost	-	-	179.2	-	-	166.0
Interest cost	70.2	592.6	163.7	76.6	347.6	139.5
Expected return on plan assets	-	(598.5)	(130.4)	-	(385.5)	(122.8)
Recognition of unrecognised liabilities of earlier years	-	-	-	-	3.7	-
Excess of planned assets over commitments not recognised in financial statements	-	5.9	-	-	34.2	-
Expense charged to the statement of profit and loss	70.2	-	212.5	76.6	-	182.7
Remeasurement of defined benefit obligation recognised in other comprehensive income						
Actuarial loss / (gain) on defined benefit obligation	56.2	-	560.0	(39.7)	-	316.0
Actuarial gain on plan assets	-	-	(16.1)	-	-	(9.5)
Expense/(income) charged to other comprehensive income	56.2	-	543.9	(39.7)	-	306.5
Reconciliation of defined-benefit obligations						
Obligation as at the beginning of the year	930.7	4,598.6	2,169.0	981.8	4,810.2	1,779.0
Current service cost	-	-	179.2	-	-	166.0
Interest cost	70.2	592.6	163.7	76.6	347.6	139.5
Obligations transferred	-	1.8	-	-	28.9	-
Benefits paid	(87.6)	(507.6)	(197.0)	(88.0)	(588.1)	(231.5)
Obligation transferred to regional provident fund, net of accumulated unrecognised gains	-	(4,685.4)	-	-	-	-
Actuarial (gains)/losses on obligations						
- due to change in demographic assumptions	-	-	61.8	-	-	(8.7)
- due to change in financial assumptions	54.5	-	398.6	31.0	-	203.8
- due to experience	1.7	-	99.6	(70.7)	-	120.9
Obligation as at the year end	969.5	-	2,874.9	930.7	4,598.6	2,169.0

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	As at March 31, 2017		As at March 31, 2016	
	Provident Fund (Funded)	Gratuity (Funded)	Provident Fund (Funded)	Gratuity (Funded)
Reconciliation of liability/(asset) recognised in the Balance sheet				
Present value of commitments (as per Actuarial Valuation)	-	2,874.9	4,598.6	2,169.0
Fair value of plan assets	-	(1,913.9)	(4,632.8)	(1,728.0)
Excess of planned assets over commitments not recognised	-	-	(34.2)	-
Net liability recognised in the financial statement	-	961.0	-	441.0
Reconciliation of plan assets				
Plan assets as at the beginning of the year	4,632.8	1,728.0	4,806.5	1,569.3
Expected return	598.5	130.4	385.5	122.8
Plan assets transferred	1.8	-	28.9	-
Actuarial gain	-	16.1	-	9.5
Employer's Contribution during the year	-	236.4	-	257.9
Benefits paid	(507.6)	(197.0)	(588.1)	(231.5)
Funds transferred to regional provident fund	(4,725.5)	-	-	-
Plan assets as at the year end	-	1,913.9	4,632.8	1,728.0

₹ in Million

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

* During the year, the Company managed Provident fund balance has been transferred to Regional Provident Fund Authority.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	Year ended March 31, 2017		Year ended March 31, 2016	
	Pension Fund (Unfunded)	Gratuity (Funded)	Pension Fund (Unfunded)	Gratuity (Funded)
Sensitivity Analysis:				
Impact on defined benefit obligation				
Delta effect of +1% change in discount rate	(73.2)	(167.7)	(67.6)	(103.2)
Delta effect of -1% change in discount rate	86.0	189.7	79.0	115.6
Delta effect of +1% change in salary escalation rate	-	174.6	-	111.8
Delta effect of -1% change in salary escalation rate	-	(158.4)	-	(101.9)
Delta effect of +1% change in rate of employee turnover	-	(71.6)	-	(18.1)
Delta effect of -1% change in rate of employee turnover	-	80.3	-	19.9
Maturity analysis of projected benefit obligation				
31-Mar-18	87.4	401.2	101.9	415.5
31-Mar-19	100.4	253.8	118.1	252.4
31-Mar-20	115.3	282.0	137.0	267.4
31-Mar-21	132.5	283.2	158.8	290.9
31-Mar-22	152.1	281.0	184.1	305.9
Thereafter	174.8	1,276.5	213.4	1,527.0
The major categories of plan assets are as under				
Central government securities	-	20.9	-	25.9
Bonds and securities of public sector / financial institutions	-	69.3	-	156.3
Insurer managed funds (Funded with LIC, break-up not available)	-	1,801.5	-	1,537.2
Surplus fund lying uninvested	-	22.2	-	8.6
The contribution expected to be made by the Company for gratuity, during financial year ending March 31, 2018 is ₹ 372.9 Million (Previous year ₹ 314.1 Million)				

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Note 49

LEASES

(a) The Company has given certain premises and plant and equipment under operating lease or leave and license agreements. These are generally not non-cancellable and periods range between 11 months to 10 years under leave and licence / lease and are renewable by mutual consent on mutually agreeable terms. The Company has received refundable interest free security deposits where applicable in accordance with the agreed terms. (b) The Company has obtained certain premises for its business operations (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and periods range between 11 months to 10 years under leave and licence, or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. These refundable security deposits have been valued at amortised cost under relevant Ind AS (c) Lease receipts / payments are recognised in the statement of profit and loss under "Lease rental and hire charges" & "Rent" in Note 32 and 37 respectively. (d) The future minimum lease payments in respect of assets taken on non-cancellable operating leases are as under -

₹ in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Not later than one year	17.1	62.2	64.0
Later than one year and not later than five years	-	18.2	91.4
Later than five years	-	-	6.3
	17.1	**80.4**	**161.7**

Note 50

EMPLOYEE SHARE-BASED PAYMENT PLANS

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

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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

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

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

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

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

* Includes options exercised, pending allotment

$ Weighted average share price on the date of exercise ₹ 690.23

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

^ Includes options exercised, pending allotment

Weighted average share price on the date of exercise ₹ 823.63

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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

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

* Includes options exercised, pending allotment

Weighted average share price on the date of exercise ₹ 802.00

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

$ Include options exercised, pending allotment.

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

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

During the current year, the Company has recorded a Stock-based employee compensation expense of ₹ 30.8 Million (March 31, 2016: ₹ 90.6 Million). The amount has been determined under a fair value method wherein the grant date fair value of the options was calculated by using Black Scholes pricing model.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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

Particulars	Year ended 31 March, 2015
Grant Date	08-May-14
Dividend yield	0.43%
Expected life of options from the date(s) of grant	1.25, 2.25 and 3.25 years
Risk free interest rate	8.57% (1.25 years)
	8.65% (2.25 years)
	8.71% (3.25 years)
Expected volatility	40.47%
Grant date fair value	₹ 462.39 (1.25 years)
	₹ 460.79 (2.25 years)
	₹ 459.16 (3.25 years)

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

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

Note 51

BORROWINGS

(A) Details of long term borrowings and current maturities of long term debt (included under other current financial liabilities)

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

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

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

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

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

(e) USD 100 Million (March 31, 2016 : USD 100 Million, April 01, 2015 : USD 100 Million) equivalent to ₹ 6,485.5 Million (March 31, 2016 : ₹ 6,626.0 Million, April 01, 2015: ₹ 6,250.5 Million). The loan was taken on June 4, 2013 and is repayable on June 3, 2018.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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

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

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

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

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

(IV) Unsecured term loan of ₹ Nil (March 31, 2016 : ₹ Nil, April 01, 2015 : ₹ 2,500.0 Million) has been repaid in previous year.

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

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

(B) Details of securities for Short term Borrowings are as follows:

First charge has been created on a pari-passu basis, by hypothecation of inventories and receivables, both present and future.

Note 52

FIRST TIME IND AS ADOPTION RECONCILIATION

Explanation to transition to Ind AS

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

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

Derecognition of financial assets and financial liabilities

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

Hedge accounting

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

Classification and measurement of financial assets

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

Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 "Determining

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

whether an Arrangement contains a Lease" to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date

Deemed cost of property, plant and equipment and intangible assets

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

Designation of previously recognised financial instruments

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

Compound financial instruments

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

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

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

Non - current assets held for sale and discontinued operations

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

Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

Share-based payment transactions

As per previous GAAP, the Company had applied the fair value recognition and measurement principles similar to those prescribed under Ind AS 102 for all options granted before the Transition Date. Consequently, this exemption was not required to be applied.

Excise duty

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

₹ in Million

	Footnote No.	As at March 31, 2016	As at April 01, 2015
Reconciliation of total equity			
Total equity as per previous GAAP *		214,830.9	227,713.7
Add / (less) : Adjustments for GAAP differences			
Effect of measuring derivative instruments at fair value through profit or loss	a	923.2	824.6
Discount / (unwinding of discount) on provisions	b	753.7	1,222.1
Recognition of intangible assets not eligible for recognition under Previous GAAP	c	30.1	-
Adjustment for proposed dividend (including corporate dividend tax)	d	2,481.5	8,689.2
Provision for expected credit losses	e	(190.5)	(113.9)
Other Ind AS adjustments	f	78.1	193.5
Total equity as per Ind AS		**218,907.0**	**238,529.2**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

	Footnote No.	Year ended March 31, 2016
Reconciliation of total comprehensive income		
Net profit as per previous GAAP		(10,733.6)
Effect of measuring derivative instruments at fair value through profit or loss	a	99.4
Effect of measuring investments at fair value through profit or loss	a	(0.7)
Discount / (unwinding of discount) on provisions	b	(468.3)
Remeasurement of defined benefit obligation recognised in OCI under Ind AS	f	266.8
Recognition of intangible assets not eligible for recognition under Previous GAAP	c	30.1
Provision for expected credit losses	e	(76.7)
Other Ind AS adjustments		7.9
Net profit as per Ind AS		**(10,875.1)**
Other comprehensive income		**(247.9)**
Total comprehensive income as per Ind AS		**(11,123.0)**

₹ in Million

	Previous GAAP	Effect of transition to Ind AS (Refer footnote g)	Ind AS
Year ended March 31, 2016			
Reconciliation of cash flow			
Net cash flows from operating activities	(12,444.5)	(100.4)	(12,544.9)
Net cash flows from investing activities	36,301.9	90.1	36,392.0
Net cash flows from financing activities	(24,251.2)	570.9	(23,680.3)
Net increase / (decrease) in cash and cash equivalents	**(393.8)**	**560.6**	**166.8**

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

Notes on reconciliations between previous GAAP and Ind AS

a) Derivative instruments at fair value through profit or loss

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

b) Discounting / (unwinding of discount) of provisions

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

c) Separately acquired intangible assets

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

d) Proposed dividend (including dividend distribution tax)

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

e) **Expected credit loss**

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

f) **Employee benefits**

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

g) **Effect of transition to Ind AS on Standalone Cash Flow Statement for the year ended March 31, 2016**

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

Note 53

RELATED PARTY DISCLOSURES AS PER (IND AS 24) ANNEXURE "A"

Note 54

LOANS / ADVANCES GIVEN TO SUBSIDIARIES AND ASSOCIATES

₹ in Million

	As at March 31, 2017	Maximum balance March 31, 2017	As at March 31, 2016	Maximum balance March 31, 2016	As at April 01, 2015
Loans / Advances outstanding from Subsidiaries					
Green Eco Development Centre Ltd	-	4.8	4.4	4.4	4.4
Neetnav Real Estate Private Limited	-	-	-	0.4	0.4
Ranbaxy Drugs Limited	-	-	-	25.6	25.6
Loans / Advances outstanding from an Associate					
Loans					
Interest bearing with specified payment schedule:					
Zenotech Laboratories Limited, India *	-	726.9	-	663.5	-
Considered good	-	-	-	-	326.8
Considered doubtful	726.9	-	663.5	-	274.0
Less: Provision for doubtful loans / advances	726.9	-	663.5	-	274.0
	-		-		**326.8**

* Includes interest accrued on loans amounting to ₹ 214.9 Million in March 31, 2017, ₹ 151.5 Million in March 31, 2016 and ₹ 88.8 million in April 01, 2015.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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Note 55

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

₹ in Million

	As at March 31, 2017			As at March 31, 2016		
	Product and Sales related*	Consultancy charges	Total	Product and Sales related*	Consultancy charges	Total
At the commencement of the year	26,206.6	-	26,206.6	26,018.4	508.1	26,526.5
Add: Provision for the year	840.0	-	840.0	829.2	-	829.2
Add: Unwinding of discounts on provisions	437.8	-	437.8	538.0	-	538.0
Add / (less): Foreign currency exchange fluctuation	(486.8)	-	(486.8)	1,319.0	-	1,319.0
Less: Utilisation / settlement	(2,000.6)	-	(2,000.6)	(2,498.0)	(508.1)	(3,006.1)
At the end of the year	24,997.0	-	24,997.0	26,206.6	-	26,206.6

(*) includes provision for trade commitments, discounts, rebates, price reduction and product returns

Note 56

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

All amounts in absolute ₹

	Specified bank notes *	Others	Total
Cash in hand as on November 08, 2016	2,275,500	4,274,623	6,550,123
Permitted receipts during November 08, 2016 and December 30, 2016	-	13,536,545	13,536,545
Permitted payments during November 08, 2016 and December 30, 2016	-	(11,919,675)	(11,919,675)
Amount deposited in banks	(2,275,500)	-	(2,275,500)
Cash in hand as on December 30, 2016	-	5,891,493	5,891,493

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

Note 57

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 24.1 Million (Previous Year ₹ 116.5 Million).

Note 58

USE OF ESTIMATES AND JUDGEMENTS

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:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

1 Fair value measurement of Financial Instruments

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

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

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.

3 Assets and obligations relating to employee benefits

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

4 Tax expense [Refer Note 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 asset (DTA) that could be recognised based on the probability that future taxable profits will be available against which DTA can be utilized and amount of temporary difference in which DTA can not be recognised on want of probable taxable profits.

5 Provisions [Refer Note 2(m)]

6 Write down in value of inventories (Refer Note 13)

7 Contingencies (Refer Note 40)

Note 59

1 Consequent to the amalgamation of erstwhile Ranbaxy Laboratories Limited (RLL) into the Company as referred in Note 59(4), Zenotech Laboratories Limited ('Zenotech') had become an associate of the Company. The erstwhile RLL had granted certain loans to Zenotech which were outstanding and inherited by the Company. The Company has not granted any further loans to Zenotech post effective date of amalgamation i.e. March 24, 2015. The balance of this inherited outstanding loan is ₹ 512.0 Million. The Company is in process of evaluating various options in relation to recovery of the outstanding loans and interest thereon of ₹ 214.9 Million (March 31, 2016 : ₹ 151.5 Million, April 01, 2015 : ₹ 88.8 Million).

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

3 Exceptional item for previous year represents charge on account of impairment of certain Property, Plant and Equipment and Intangible assets. This charge had arisen on account of the integration and optimization exercise being carried out for certain manufacturing facilities. The recoverable amount of the said assets is its value in use which is determined for a period of less than one year.

4 Pursuant to the Scheme of Arrangement u/s 391 to 394 of the Companies Act 1956 for amalgamation of erstwhile RLL with the Company as sanctioned by the Hon'ble High Court of Gujarat and Hon'ble High Court of Punjab and Haryana on March 24, 2015 (effective date) all the assets, liabilities and reserves of erstwhile RLL were transferred to and vested in the Company with effect from April 1, 2014, the appointed

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

date. Erstwhile RLL along with its subsidiaries and associates was operating as an integrated international pharmaceutical organisation with business encompassing the entire value chain in the production, marketing and distribution of pharmaceutical products. The scheme was accordingly been given effect to in the financial statements for the year ended March 31, 2015.

On April 10, 2015, in terms of the Scheme of Arrangement 0.80 equity share of ₹ 1 each (Number of Shares 334,956,764 including 186,516 Shares held by ESOP trust) of the Company has been allotted to the shareholders of erstwhile RLL for every 1 share of ₹ 5 each (Number of Shares 418,695,955 including 233,146 shares held by ESOP trust) held by them in the share capital of erstwhile RLL, after cancellation of 6,967,542 shares of erstwhile RLL. An amount of ₹ 1,792.4 Million being the excess of share capital of erstwhile RLL over the amount recorded as the share capital (which was outstanding to be issued by the Company as on April 1, 2015 and disclosed as Share Suspense Account) was credited to Capital Reserve.

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

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

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

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

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

10 In accordance with Ind AS 108 "Operating Segments", segment information has been given in the consolidated Ind AS financial statements, and therefore, no separate disclosure on segment information is given in these financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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

Excess remuneration, if any, after final approval in respect of the re-representation/applications for revision is received, shall be refunded by the respective Managing Director and the Whole-time Director(s).

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

13 The Company completed buy-back of 7,500,000 equity shares of ₹ 1 each (representing 0.31% of total pre buy-back paid up equity capital) on October 18, 2016, from the shareholders on a proportionate basis by way of a tender offer at a price of ₹ 900 per equity share for an aggregate amount of ₹ 67,500 Lakhs in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buy Back of Securities) Regulations, 1998. This buy-back of equity shares was approved by the Board of Directors of the Company at its meeting held on June 23, 2016.

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Ind AS- 24 - " RELATED PARTY DISCLOSURES "

ANNEXURE "A"

	Country of Incorporation	Proportion of ownership interest for the year ended		
		March 31, 2017	March 31, 2016	April 01, 2015
Names of related parties where control exists and description of relationships				
a **Subsidiaries**				
Direct Subsidiaries				
Green Eco Development Centre Limited	India	100.00%	100.00%	100.00%
Sun Pharmaceutical (Bangladesh) Limited	Bangladesh	72.50%	72.50%	72.50%
Sun Pharmaceutical Industries, Inc.	United States of America	100.00%	100.00%	100.00%
Sun Farmaceutica Do Brasil Ltda.	Brazil	100.00%	100.00%	100.00%
Sun Pharma De Mexico S.A. DE C.V.	Mexico	75.00%	75.00%	75.00%
SPIL De Mexico S.A. DE C.V.	Mexico	100.00%	100.00%	100.00%
Sun Pharmaceutical Peru S.A.C.	Peru	99.33%	99.33%	99.33%
OOO "Sun Pharmaceutical Industries" Limited	Russia	100.00%	100.00%	99.00%
Sun Pharma De Venezuela, C.A.	Venezuela	100.00%	100.00%	100.00%
Sun Pharma Laboratories Limited	India	100.00%	100.00%	100.00%
Faststone Mercantile Company Private Limited	India	100.00%	100.00%	100.00%
Neetnav Real Estate Private Limited	India	100.00%	100.00%	100.00%
Realstone Multitrade Private Limited	India	100.00%	100.00%	100.00%
Skisen Labs Private Limited	India	100.00%	100.00%	100.00%
Sun Pharma Holdings	Mauritius	99.99%	99.99%	99.99%
Softdeal Trading Company Private Limited	India	100.00%	100.00%	100.00%
Ranbaxy Pharmacie Generiques	France	100.00%	100.00%	100.00%
Ranbaxy Drugs Limited	India	100.00%	100.00%	100.00%
Vidyut Investments Limited	India	100.00%	100.00%	100.00%
Gufic Pharma Limited	India	100.00%	100.00%	100.00%
Ranbaxy (Malaysia) Sdn. Bhd.	Malaysia	71.22%	71.22%	71.22%
Ranbaxy Nigeria Limited	Nigeria	85.31%	85.31%	85.31%
Ranbaxy (Netherlands) B.V.	Netherlands	100.00%	100.00%	100.00%
Foundation for Disease Elimination and Control of India (Refer Footnote 1)	India	100.00%	-	-
Step down Subsidiaries				
Caraco Pharma Inc. (Refer Footnote 2)	United States of America	-	100.00%	100.00%
Chattem Chemicals Inc.	United States of America	100.00%	100.00%	100.00%
The Taro Development Corporation	United States of America	100.00%	100.00%	100.00%
Alkaloida Chemical Company Zrt.	Hungary	99.99%	99.99%	99.99%
Sun Pharmaceuticals UK Limited	United Kingdom	100.00%	100.00%	100.00%
Sun Pharmaceutical Industries (Australia) Pty Limited	Australia	100.00%	100.00%	100.00%
Aditya Acquisition Company Ltd.	Israel	100.00%	100.00%	100.00%
Sun Pharmaceutical Industries (Europe) B.V.	Netherlands	100.00%	100.00%	100.00%
Sun Pharmaceuticals Italia S.R.L.	Italy	100.00%	100.00%	100.00%
Sun Pharmaceuticals Spain, S.L.U. (Refer Footnote 3)	Spain	100.00%	100.00%	100.00%
Sun Pharmaceuticals Germany GmbH	Germany	100.00%	100.00%	100.00%

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	Country of Incorporation	Proportion of ownership interest for the year ended		
		March 31, 2017	March 31, 2016	April 01, 2015
Sun Pharmaceuticals France	France	100.00%	100.00%	100.00%
Sun Pharma Global FZE	United Arab Emirates	100.00%	100.00%	100.00%
Sun Pharmaceuticals (SA) (Pty) Ltd.	South Africa	100.00%	100.00%	100.00%
Sun Global Canada Pty. Ltd.	Canada	100.00%	100.00%	100.00%
Sun Pharma Philippines, Inc.	Philippines	100.00%	100.00%	100.00%
Sun Pharmaceuticals Korea Ltd.	Korea	100.00%	100.00%	100.00%
Sun Global Development FZE	United Arab Emirates	100.00%	100.00%	100.00%
Caraco Pharmaceuticals Private Limited	India	100.00%	100.00%	100.00%
Sun Pharma Japan Ltd.	Japan	100.00%	100.00%	100.00%
Sun Pharma Healthcare FZE	United Arab Emirates	100.00%	100.00%	100.00%
Morley & Company, Inc.	United States of America	100.00%	100.00%	100.00%
Sun Laboratories FZE	United Arab Emirates	100.00%	100.00%	100.00%
Taro Pharmaceutical Industries Ltd. (TARO) (Refer Footnote 17)	Israel	72.81%	68.98%	68.87%
Taro Pharmaceuticals Inc.	Canada	72.81%	68.98%	68.87%
Taro Pharmaceuticals U.S.A., Inc.	United States of America	72.81%	68.98%	68.87%
Taro Pharmaceuticals North America, Inc.	Cayman Islands, British West Indies	72.81%	68.98%	68.87%
Taro Pharmaceuticals Europe B.V.	Netherlands	72.81%	68.98%	68.87%
Taro Pharmaceuticals Ireland Limited	Ireland	72.81%	68.98%	68.87%
Taro International Ltd.	Israel	72.81%	68.98%	68.87%
Taro Pharmaceuticals (UK) Limited	United Kingdom	72.81%	68.98%	68.87%
Taro Hungary Intellectual Property Licensing Limited Liability Company (Refer Footnote 3)	Hungary	72.81%	68.98%	68.87%
3 Skyline LLC	United States of America	72.81%	68.98%	68.87%
One Commerce Drive LLC	United States of America	72.81%	68.98%	68.87%
Taro Pharmaceutical Laboratories Inc	United States of America	72.81%	68.98%	68.87%
Taro Pharmaceuticals Canada, Ltd.	Canada	72.81%	68.98%	68.87%
Taro Pharmaceutical India Private Limited (Refer Footnote 6)	India	72.81%	68.98%	68.87%
Alkaloida Sweden AB	Sweden	100.00%	100.00%	100.00%
Dusa Pharmaceuticals, Inc.	United States of America	100.00%	100.00%	100.00%
Dusa Pharmaceuticals New York, Inc. (Refer Footnote 3)	United States of America	100.00%	100.00%	100.00%
Sirius Laboratories Inc (Refer Footnote 3)	United States of America	100.00%	100.00%	100.00%
URL Pharma, Inc (Refer Footnote 7)	United States of America	-	100.00%	100.00%
AR Scientific, Inc (Refer Footnote 8)	United States of America	-	100.00%	100.00%
Mutual Pharmaceutical Company Inc.	United States of America	100.00%	100.00%	100.00%
United Research Laboratories, Limited (Refer Footnote 8)	United States of America	-	100.00%	100.00%
Dungan Mutual Associates, LLC	United States of America	100.00%	100.00%	100.00%
URL PharmPro, LLC	United States of America	100.00%	100.00%	100.00%
2 Independence Way LLC	United States of America	100.00%	100.00%	-
Thallion Pharmaceutical Inc., (Refer Footnote 9)	United States of America	100.00%	-	-
Universal Enterprises Private Limited	India	100.00%	100.00%	100.00%
Sun Pharma Switzerland Limited	Switzerland	100.00%	100.00%	100.00%
Silverstreet Developers LLP (Refer Footnote 5)	India	-	100.00%	100.00%

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	Country of Incorporation	Proportion of ownership interest for the year ended		
		March 31, 2017	March 31, 2016	April 01, 2015
Sun Pharma East Africa Limited (Refer Footnote 10)	Kenya	100.00%	100.00%	100.00%
Pharmalucence, Inc. (Refer Footnote 10)	United States of America	100.00%	100.00%	100.00%
PI Real Estate Ventures, LLC (Refer Footnote 10)	United States of America	100.00%	100.00%	100.00%
Sun Pharma ANZ Pty Ltd (formerly known as Ranbaxy Australia Pty Ltd)	Australia	100.00%	100.00%	100.00%
Ranbaxy Belgium N.V. (Refer Footnote 11)	Belgium	-	100.00%	100.00%
Ranbaxy Farmaceutica Ltda.	Brazil	100.00%	100.00%	100.00%
Ranbaxy Pharmaceuticals Canada Inc.	Canada	100.00%	100.00%	100.00%
Ranbaxy Egypt LLC	Egypt	100.00%	100.00%	100.00%
Rexcel Egypt LLC	Egypt	100.00%	100.00%	100.00%
Office Pharmaceutique Industriel Et Hospitalier	France	100.00%	100.00%	100.00%
Basics GmbH	Germany	100.00%	100.00%	100.00%
Ranbaxy GmbH	Germany	100.00%	100.00%	100.00%
Ranbaxy Ireland Limited	Ireland	100.00%	100.00%	100.00%
Ranbaxy Italia S.P.A.	Italy	100.00%	100.00%	100.00%
Sun Pharmaceutical Industries S.A.C. (formerly known as Ranbaxy - PRP (Peru) S.A.C.)	Peru	100.00%	100.00%	100.00%
Ranbaxy (Poland) Sp. Z o.o.	Poland	100.00%	100.00%	100.00%
Ranbaxy Portugal - Com E Desenvolv DeProd Farmaceuticos Unipessoal Lda (Refer Footnote 11)	Portugal	-	100.00%	100.00%
S.C Terapia S.A.	Romania	96.70%	96.70%	96.70%
AO Ranbaxy (formerly known as ZAO Ranbaxy)	Russia	100.00%	100.00%	100.00%
Ranbaxy South Africa Proprietary Limited	South Africa	100.00%	100.00%	100.00%
Ranbaxy Pharmaceutical Proprietary Limited	South Africa	100.00%	100.00%	100.00%
Be-Tabs Investments Proprietary Limited	South Africa	100.00%	100.00%	100.00%
Sonke Pharmaceuticals Proprietary Limited	South Africa	70.00%	70.00%	70.00%
Laboratorios Ranbaxy, S.L.U.	Spain	100.00%	100.00%	100.00%
Ranbaxy (U.K.) Limited	United Kingdom	100.00%	100.00%	100.00%
Ranbaxy Holdings (U.K.) Limited	United Kingdom	100.00%	100.00%	100.00%
Ranbaxy Europe Limited	United Kingdom	100.00%	100.00%	100.00%
Ranbaxy Inc.	United States of America	100.00%	100.00%	100.00%
Ranbaxy Pharmaceuticals, Inc.	United States of America	100.00%	100.00%	100.00%
Ranbaxy (Thailand) Company Limited	Thailand	100.00%	100.00%	100.00%
Ohm Laboratories, Inc.	United States of America	100.00%	100.00%	100.00%
Ranbaxy Laboratories, Inc.	United States of America	100.00%	100.00%	100.00%
Ranbaxy Signature LLC	United States of America	67.50%	67.50%	67.50%
Sun Pharmaceuticals Morocco LLC (formerly known as Ranbaxy Morocco LLC)	Morocco	100.00%	100.00%	100.00%
"Ranbaxy Pharmaceuticals Ukraine" LLC	Ukraine	100.00%	100.00%	100.00%
Perryton Wind Power LLC (Refer Footnote 3 and 12)	United States of America	100.00%	100.00%	-
Insite Vision Incorporated (Refer Footnote 12)	United States of America	100.00%	100.00%	-
Insite Vision Ltd. (Refer Footnote 12)	United Kingdom	100.00%	100.00%	-
Thea Acquisition Corporation (Refer Footnote 12 and 13)	United States of America	-	100.00%	-
Zalicus Pharmaceuticals Limited (Refer Footnote 12 and 14)	Canada	-	100.00%	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

		Country of Incorporation	Proportion of ownership interest for the year ended		
			March 31, 2017	March 31, 2016	April 01, 2015
	Sun Pharma Medisales Pvt Ltd. (formerly known as Solrex Pharmaceuticals Company) (Refer Footnote 16)	India	100.00%	-	-
	Sun Pharmaceutical Medicare Limited (Refer Footnote 1)	India	100.00%	-	-
	Ocular Technologies SARL (Refer Footnote 1)	Switzerland	100.00%	-	-
	JSC Biosintez (Refer Footnote 1)	Russia	85.10%	-	-
	Sun Pharmaceuticals Holdings USA, INC (Refer Footnote 1)	United States of America	100.00%	-	-
	Names of related parties where there are transactions and description of relationships				
b	**Joint Ventures**				
	S & I Ophthalmic LLC	United States of America	50.00%	50.00%	50.00%
c	**Associates**				
	Zenotech Laboratories Limited	India	46.84%	46.84%	46.84%
	Daiichi Sankyo (Thailand) Ltd. (Refer Footnote 15)	Thailand	26.90%	26.90%	26.90%
d	**Key Managerial Personnel**				
	Dilip S. Shanghvi	Managing Director			
	Sudhir V. Valia	Executive Director			
	Sailesh T. Desai	Executive Director			
	Israel Makov	Chairman and Non-Executive Director			
	Kalyansundaram Subramanian (w.e.f. February 14, 2017)	Executive Director			
	S. Mohanchand Dadha	Non- Executive Director			
	Hasmukh S. Shah	Non- Executive Director			
	Keki M. Mistry	Non- Executive Director			
	Ashwin S. Dani	Non- Executive Director			
	Rekha Sethi	Non- Executive Director			
e	**Relatives of Key Managerial Personnel**				
	Aalok Shanghvi				
	Vidhi Shanghvi				
f	**Enterprise under control of Key Managerial Personnel or their relatives**				
	Makov Associates Ltd				
g	**Enterprise under significant Influence of Key Managerial Personnel or their relatives**				
	Sun Pharma Advanced Research Company Ltd				
	Sun Petrochemicals Pvt Ltd				
	PV Power Technologies Pvt. Ltd.				

Footnote

1 Incorporated / Acquired during the year.

2 Merged with Sun Pharmaceutical Industries, Inc.

3 Dissolved / Liquidated during the year.

4 Merged with Sun Pharma Global FZE.

5 Investment sold during the previous year.

6 Taro Pharmaceutical India Private Limited is under liquidation.

7 Merged into Mutual Pharmaceutical Company, Inc. during the previous year .

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

8 Merged into URL Pharma Inc. during the previous year.

9 Thallion Pharmaceutical Inc., was acquired and merged with Taro Pharmaceuticals Inc. during the year.

10 Incorporated / Acquired during the year ended March 31, 2015.

11 Dissolved / Liquidated during the previous year.

12 Incorporated / Acquired during the previous year.

13 Thea Acquisition Corporation has been merged with Insite Vision Incorporated during the previous year.

14 Acquired and subsequently amalgamated in Taro Pharmaceuticals Inc. in the previous year.

15 Daiichi Sankyo (Thailand) Ltd.'s shares were sold during the year.

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

17 Holds voting power of 81.87% (beneficial ownership 72.81%) [March 31, 2016 79.32% (beneficial ownership 68.98%)] [April 01, 2015 79.24% (beneficial ownership 68.87%)].

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Ind AS- 24 - " RELATED PARTY DISCLOSURES " ANNEXURE "A"

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

₹ in Million

Particulars	March 31, 2017	March 31, 2016
Purchase of goods	2,592.8	2,100.1
Subsidiaries	2,564.6	2,078.4
Associates	12.9	20.6
Enterprise under significant influence of key managerial personnel or their relatives	15.3	1.1
Purchase of Property, Plant and Equipment	299.6	4.5
Subsidiaries	299.6	0.5
Enterprise under significant influence of key managerial personnel or their relatives	-	4.0
Sale of goods	26,332.2	23,393.0
Subsidiaries	26,276.1	23,042.6
Associates	38.8	340.4
Enterprise under significant influence of key managerial personnel or their relatives	17.3	10.0
Sale of Property, Plant and Equipment	20.1	86.7
Subsidiaries	20.1	86.3
Enterprise under significant influence of key managerial personnel or their relatives	-	0.4
Receiving of Service	1,386.2	2,000.2
Subsidiaries	1,073.0	1,609.9
Enterprise under control of key managerial personnel or their relatives	141.6	390.3
Enterprise under significant influence of key managerial personnel or their relatives	171.6	-
Reimbursement of Expenses Paid	1,154.3	1,104.0
Subsidiaries	1,136.6	1,101.2
Associates	2.8	-
Key managerial personnel (₹ 45,815)	0.0	-
Enterprise under significant influence of key managerial personnel or their relatives	14.9	2.8
Rendering of Service	860.3	1,365.2
Subsidiaries	712.5	1,132.5
Joint Ventures	11.6	0.1
Enterprise under significant influence of key managerial personnel or their relatives	136.2	232.6
Reimbursement of Expenses Received	204.1	189.4
Subsidiaries	162.6	147.8
Enterprise under significant influence of key managerial personnel or their relatives	41.5	41.6
Finance (including investment and equity contributions)	7.7	171.6
Subsidiaries	7.7	171.6
Purchase of Investment in an Associate	-	0.0
Associates (March 31, 2016 ₹ 16,380)	-	0.0
Loans / Deposit given	0.4	-
Subsidiaries	0.4	
Loans received back	4.8	0.4
Subsidiaries	4.8	0.4
Redemption of Preference Shares in Subsidiary	-	473.9
Subsidiaries	-	473.9

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

Particulars	March 31, 2017	March 31, 2016
Sales of Investment in Sun Pharma Holding	32,318.4	37,994.6
Subsidiaries	32,318.4	37,994.6
Loan Taken	9,200.0	35,480.0
Subsidiaries	9,200.0	35,480.0
Loan Repaid	17,219.9	27,545.7
Subsidiaries	17,219.9	27,545.7
Dividend Income on Preference Shares	40.0	394.3
Subsidiaries	40.0	394.3
Dividend Income on Equity Shares	2,000.7	-
Subsidiaries	2,000.7	-
Interest Income	70.4	69.9
Subsidiaries (₹ 24,066)	0.0	-
Associates	70.4	69.9
Interest Expense	116.4	1,188.8
Subsidiaries	116.4	1,188.8
Rent Income	23.5	25.2
Subsidiaries	19.3	23.8
Enterprise under significant influence of key managerial personnel or their relatives	4.2	1.4
Rent expense	2.2	9.6
Subsidiaries	2.2	9.6
Provision for doubtful Loans and Interest accrued and due on Loans	63.4	389.5
Associates	63.4	389.5
Provision in respect of losses of a subsidiary	165.4	122.9
Subsidiaries	165.4	122.9
Remuneration	90.6	63.8
Key Managerial Personnel [Refer Note 59 (11)]	77.3	50.8
Relatives of Key Managerial Personnel	13.3	13.0
Director's Sitting Fees	8.3	7.4
Withdrawal of letters of comfort given on behalf of subsidiaries	-	2,873.1
Subsidiaries	-	2,873.1

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Balance Outstanding as at the end of the year

₹ in Million

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Receivables	11,140.2	9,103.9	6,359.4
Subsidiaries	10,673.7	8,966.6	6,335.1
Joint Ventures	-	0.9	1.3
Associates	-	1.8	-
Enterprise under significant influence of key managerial personnel or their relatives	466.5	134.6	23.0
Payable	15,000.5	16,614.0	14,613.1
Subsidiaries	14,412.2	16,581.2	14,419.6
Associates	137.7	-	6.4
Key managerial personnel	4.2	5.4	19.5
Relatives of key managerial personnel	0.6	2.4	1.2
Enterprise under control of key managerial personnel or their relatives	63.0	25.0	166.4
Enterprise under significant influence of key managerial personnel or their relatives	382.8	-	-
Loan Taken	-	8,020.0	-
Subsidiaries	-	8,020.0	-
Loan Given	-	4.4	331.6
Subsidiaries	-	4.4	4.8
Associates *	-	-	326.8
Deposit Given	62.5	62.5	62.5
Subsidiaries	62.5	62.5	62.5

* Net of Provision for doubtful loans and interest accrued and due thereon of ₹ 726.9 Million [March 31, 2016 : ₹ 663.5 Million ; April 01, 2015 ₹ 274.0 Million] (Refer Note 54)

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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

₹ in Million

Particulars	March 31, 2017	March 31, 2016
Purchase of goods		
Sun Pharma Medisales Private Limited (Formerly known as Solrex Pharmaceuticals Company)	1,174.5	1,207.2
Sun Pharma Laboratories Limited	563.1	689.5
Purchase of Property, Plant and Equipment		
Sun Pharma Laboratories Limited	283.8	0.5
Sun Pharma Advanced Research Company Ltd	-	4.0
Sale of goods		
Be-Tabs Pharmaceuticals (Pty) Ltd.	4,157.3	-
Sun Pharma Global (FZE)	3,337.5	3,311.7
Sale of Property, Plant and Equipment		
Sun Pharma Laboratories Limited	13.0	65.8
Sun Pharma Medisales Private Limited (Formerly known as Solrex Pharmaceuticals Company)	6.7	15.8
Receiving of Service		
Sun Pharma Laboratories Limited	269.2	104.8
Reimbursement of Expenses Paid		
Sun Pharmaceutical Industries, Inc.	539.6	320.7
Sun Pharmaceutical Industries (Europe) B.V.	343.9	159.9
Rendering of Service		
Sun Pharma Laboratories Limited	431.2	424.0
Reimbursement of Expenses Received		
Sun Pharma Global (FZE)	99.2	130.6
Sun Pharmaceutical Industries (Europe) B.V.	53.7	-
Sun Pharma Advanced Research Company Ltd	41.5	41.6
Finance (including investment and equity contributions)		
Green Eco Development Centre Limited	6.0	-
Ranbaxy (Netherlands) B.V.	1.5	7.8
Skisen Labs Private Limited	-	163.5
Purchase of Investment in an Associate		
Zenotech Laboratories Limited (March 31, 2016 ₹ 16,380)	-	0.0
Loans given / Deposit		
Green Eco Development Centre Limited	0.4	-
Loans received back		
Green Eco Development Centre Limited	4.8	-
Neetnav Real Estate Private Limited	-	0.4
Redemption of Preference Shares in Subsidiary		
Alkaloida Chemical Company Zrt.	-	473.9
Sales of Investment in Sun Pharma Holding		
Sun Pharma Laboratories Limited	32,318.4	37,994.6
Loan Taken		
Sun Pharma Laboratories Limited	9,200.0	35,480.0
Loan Repaid		
Sun Pharma Laboratories Limited	17,219.9	27,480.0

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

₹ in Million

Particulars	March 31, 2017	March 31, 2016
Dividend Income on Preference Shares		
Sun Pharma Laboratories Limited	40.0	-
Alkaloida Chemical Company Zrt.	-	394.3
Dividend Income on Equity Shares		
Sun Pharma Laboratories Limited	2,000.0	-
Interest Income		
Zenotech Laboratories Limited	70.4	69.9
Interest Expense		
Sun Pharma Laboratories Limited	116.4	1,187.9
Rent Income		
Sun Pharma Laboratories Limited	19.3	23.8
Rent expense		
Sun Pharma Medisales Private Limited (Formerly known as Solrex Pharmaceuticals Company)	1.5	8.9
Neetnav Real Estate Private Limited	0.7	0.7
Provision for doubtful Loans and Interest accrued and due on Loans		
Zenotech Laboratories Limited	63.4	389.5
Provision in respect of losses of a subsidiary		
Ranbaxy Pharmacie Generiques SAS	165.4	122.9
Remuneration		
Key Managerial Personnel		
Dilip S. Shanghvi @	31.8	19.3
Sailesh T. Desai	31.6	12.1
Sudhir V. Valia #	13.9	19.4
Relatives of Key Managerial Personnel		
Aalok D. Shanghvi	12.1	12.1
Director's Sitting Fees		
Hasmukh S. Shah	1.7	1.9
S. Mohanchand Dadha	1.7	1.6
Withdrawal of letters of comfort given on behalf of subsidiaries		
Ranbaxy Nigeria Limited	-	576.3
Ranbaxy Malaysia Sdn. Bhd.	-	556.2

@ Net of Refund of ₹ Nil (March 31, 2016 ₹ 1.1 Million) in respect of excess remuneration paid for financial year 2013 -14.
# Net of Refund of ₹ Nil (March 31, 2016 ₹ 1.0 Million) in respect of excess remuneration paid for financial year 2013 -14.