NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1A. OVERVIEW:

Lupin Limited, ('the Company') incorporated in 1983, is an innovation led Transnational Pharmaceutical Company producing, developing and marketing a wide range of branded and generic formulations, biotechnology products and active pharmaceutical ingredients (APIs) globally. The Company has significant presence in the Cardiovascular, Diabetology, Asthama, Pediatrics, Central Nervous System, Gastro-Intestinal, Anti-Infectives and Nonsteroidal Anti Inflammatory Drug therapy segments and is a global leader in the Anti-TB and Cephalosporins segments. The Company along with its subsidiaries has manufacturing locations spread across India, Japan, USA, Mexico and Brazil with trading and other incidental and related activities extending to the global markets.

1B. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of accounting and preparation of Standalone Financial Statements:

Basis of preparation

i) These standalone financial statements of the Company have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These standalone financial statements were authorized for issue by the Company's Board of Directors on May 15, 2018.

Functional and Presentation Currency

ii) These standalone financial statements are presented in Indian rupees, which is the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest million, except otherwise indicated.

Basis of measurement

iii) These standalone financial statements are prepared under the historical cost convention unless otherwise indicated.

Use of Estimates and Judgements

iv) The preparation of the Standalone Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Standalone Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialised. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies.

- Measurement of defined benefit obligations (Refer note l)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note o)
- Recognition of deferred tax assets (Refer note i)
- Useful lives of property, plant and equipment and intangibles (Refer note b & c)
- Impairment of assets (Refer note f)
- Impairment of financial assets (Refer note h)
- Share-based payment transactions (Refer note m)

b) Property, Plant and Equipment & Depreciation:

I. Recognition and Measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.
- income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

II. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

III. Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment of the Company has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act, except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on independent technical evaluation and management's assessment thereof, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Particulars	**Estimated Useful Life**
Leasehold Land	Over the period of lease
Plant and Equipment	10 to 15 years
Office Equipment (Desktop)	4 years
Certain assets provided to employees	3 years

Depreciation method, useful live and residual values are reviewed at each financial year end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

c) Intangible assets:

I. Recognition and Measurement:

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Expenditure on research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

II. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

III. Amortisation

Intangible assets are amortised over their estimated useful life on Straight Line Method as follows:

Particulars	Estimated Useful Life
Computer Software	5 to 6 years
Trademark and Licenses	4 to 5 years
Dossiers/Marketing Rights	10 years

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

d) Non-current assets held for sale:

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet as "Assets Classified as Held for Sale". Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

e) Research and Development:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss in the year it is incurred, unless a product's technological feasibility has been established, in which case such expenditure is capitalised. These costs are charged to the respective heads in the Statement of Profit and Loss in the year it is incurred. The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

Expenditure on in-licensed development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use and sell the asset.

f) Impairment of assets:

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

i) an intangible asset that is not yet available for use; and
ii) an intangible asset that is having indefinite useful life.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

g) Foreign Currency Transactions/Translations:

i) Transactions denominated in foreign currency are recorded at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.

ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate of the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

iii) Exchange differences arising on the settlement of monetary items or on translating monetary items (except for long term monetary items outstanding as at March 31, 2016) at rates different from those at which they were translated on initial recognition during the period or in previous standalone financial statements are recognized in the Statement of Profit and Loss in the period in which they arise.

iv) In case of long term monetary items outstanding as at March 31, 2016, exchange differences arising on settlement/ restatement thereof are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period/upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.

h) Financial Instruments:

I. Financial Assets

Classification

On initial recognition the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus 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, i.e. the date that the Company commits to purchase or sell the asset.

Financial assets at amortised cost

A ‘financial asset’ is measured at the amortised cost if both the following conditions are met:

i) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
ii) 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 and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial assets included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments 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 decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. 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, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Investments in subsidiaries and joint venture

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive 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:

i) the Company has transferred substantially all the risks and rewards of the asset, or
ii) 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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:

i) financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
ii) trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

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.

II. Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value with changes in fair value being recognised in the Statement of Profit and Loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at amortised cost (loans, borrowings and payables) or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

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 in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope Ind-AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts 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 through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks. 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. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedge Accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in (OCI) and accumulated in “Cash Flow Hedge Reserve Account” under Reserves and Surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the “Cash Flow Hedge Reserve Account” are reclassified to the Statement of Profit and Loss in the same period during which the forecasted transaction affects Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in “Cash Flow Hedge Reserve Account” is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in “Cash Flow Hedge Reserve Account” is immediately transferred to the Statement of Profit and Loss.

III. Measurement

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

(a) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

(b) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

(c) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

i) Income tax:

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:
i) has a legally enforceable right to set off the recognised amounts; and
ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred taxes are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. 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; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The Company recognises deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:
i) When the Company is able to control the timing of the reversal of the temporary difference; and
ii) it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:
i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

j) Inventories:

Inventories of all procured materials and Stock-in-Trade are valued at the lower of cost (on moving weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including non-creditable taxes and other levies, transit insurance and receiving charges. Work-in-process and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

k) Revenue Recognition:

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Revenue from the sale of goods includes excise duty upto June 30, 2017 which is now subsumed in Goods and Service Tax (GST) and is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax/GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements.

Income from research services including sale of technology/know-how (rights, licenses and other intangibles) is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when risks and rewards of ownership are transferred, as applicable.

Interest income is recognised with reference to the Effective Interest Rate method.

Dividend from investments is recognised as revenue when right to receive is established.

l) Employee Benefits:

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided and the Company will have no legal or constructive obligation to pay further amounts. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (asset) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is measured on the basis of a periodical independent actuarial valuation using the projected unit credit method. Remeasurement are recognised in Statement of Profit and Loss in the period in which they arise.

m) Share-based payment transactions:

Employees Stock Options Plans ("ESOPs"): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Employee Stock Options Outstanding Reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

n) Leases:

Determining whether an arrangement contains a lease

An arrangement, which is not in the legal form of a lease, should be accounted for as a lease, if:

i) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
ii) the arrangement conveys a right to use the asset.

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If it is impracticable to separate the payments reliably, then a finance lease receivable is recognised at an amount equal to the fair value of the underlying asset; subsequently, the receivable is reduced as payments are made and a finance income is recognised using the interest rate implicit in the lease.

Operating Lease

Agreements which are not classified as finance leases are considered as operating lease. Payments made under operating leases are recognised in Statement of Profit and Loss. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

o) Provisions and Contingent Liabilities:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in the Notes to the Standalone Financial Statements. Contingent liabilities are 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.

p) Borrowing costs:

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

q) Government Grants:

Government grants are initially recognised at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognised in Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.

- In case of grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognised.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

r) Earnings per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

s) Insurance claims:

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect the ultimate collection.

t) Goods and Services tax input credit:

Goods and Services tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilising the credits.

u) Segment reporting:

The Company operates in one reportable business segment i.e. “Pharmaceuticals”.

v) 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 12 months for the purpose of classification of its assets and liabilities as current and non-current as set out in Schedule III of the Act.

1C. RECENT ACCOUNTING PRONOUNCEMENTS:

Ind AS 115 Revenue from Contract with Customers:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 ‘Revenue from Contracts with Customers’ (New Revenue Standard), which replaces Ind AS 11 ‘Construction Contracts’ and Ind AS 18 ‘Revenue’. The core principle of the New Revenue Standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Some of the key changes introduced by the New Revenue Standard include additional guidance for multiple-element arrangements, measurement approaches for variable consideration, specific guidance for licensing of intellectual property. Significant additional disclosures in relation to revenue are also prescribed. The New Revenue Standard also provides two broad alternative transition options – Retrospective Method and Cumulative Effect Method – with certain practical expedients available under the Retrospective Method. The Company is in the process of evaluating the impact of the New Revenue Standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

Also Appendix B to Ind AS 21, foreign currency transactions and advance consideration was notified along with the same notification which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company has evaluated the effect of these on the financial statements and the impact is not expected to be material.

The amendments will come into force from April 1, 2018.

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in million)

Particulars	Gross Block				Accumulated Depreciation				Net Block
	As at 01.04.2017	Additions	Disposals*	**As at 31.03.2018**	As at 01.04.2017	For the Period	Disposals*	**As at 31.03.2018**	**As at 31.03.2018**
Freehold Land	**551.5**	**310.0**	**-**	**861.5**	**-**	**-**	**-**	**-**	**861.5**
	468.3	*83.2*	*-*	*551.5*	*-*	*-*	*-*	*-*	*551.5*
Leasehold Land	**535.6**	**504.9**	**43.5**	**997.0**	**17.6**	**8.8**	**2.0**	**24.4**	**972.6**
	484.8	*50.8*	*-*	*535.6*	*9.0*	*8.6*	*-*	*17.6*	*518.0*
Buildings	**11,025.6**	**590.0**	**43.3**	**11,572.3**	**660.8**	**463.6**	**5.4**	**1,119.0**	**10,453.3**
	7,491.3	*3,535.1*	*0.8*	*11,025.6*	*278.3*	*382.6*	*0.1*	*660.8*	*10,364.8*
Leasehold Improvements	**229.1**	**37.6**	**-**	**266.7**	**41.1**	**58.1**	**-**	**99.2**	**167.5**
	-	*229.1*	*-*	*229.1*	*-*	*41.1*	*-*	*41.1*	*188.0*
Plant and Equipment	**21,560.5**	**2,475.1**	**121.8**	**23,913.8**	**5,042.4**	**2,767.8**	**83.7**	**7,726.5**	**16,187.3**
	16,381.4	*5,335.4*	*156.3*	*21,560.5*	*2,364.9*	*2,720.4*	*42.9*	*5,042.4*	*16,518.1*
Furniture and Fixtures	**929.4**	**113.5**	**22.5**	**1,020.4**	**190.7**	**127.7**	**18.3**	**300.1**	**720.3**
	603.2	*545.1*	*218.9*	*929.4*	*108.2*	*148.9*	*66.4*	*190.7*	*738.7*
Vehicles	**67.1**	**4.3**	**-**	**71.4**	**13.4**	**9.6**	**-**	**23.0**	**48.4**
	64.9	*12.1*	*9.9*	*67.1*	*8.6*	*10.1*	*5.3*	*13.4*	*53.7*
Office Equipment	**1,473.8**	**178.1**	**21.4**	**1,630.5**	**476.8**	**313.2**	**20.9**	**769.1**	**861.4**
	776.7	*718.3*	*21.2*	*1,473.8*	*223.2*	*278.6*	*25.0*	*476.8*	*997.0*
Total	**36,372.6**	**4,213.5**	**252.5**	**40,333.6**	**6,442.8**	**3,748.8**	**130.3**	**10,061.3**	**30,272.3**
	26,270.6	*10,509.1*	*407.1*	*36,372.6*	*2,992.2*	*3,590.3*	*139.7*	*6,442.8*	*29,929.8*

a) Cost of Buildings includes cost of shares in co-operative societies of ₹ 1,000/- (previous year ₹ 1,000/-).
b) Additions to Property, Plant and Equipment include items aggregating ₹ 963.2 million (previous year ₹ 5,329.0 million) located at Research and Development Centers of the Company.
c) Previous year figures are given in italics below current year figures in each class of assets.
* Disposals include Assets classified as held for sale [Refer note 1B (d) and 57]

3. INTANGIBLES ASSETS - ACQUIRED

(₹ in million)

Particulars	Gross Block				Accumulated Amortisation				Net Block
	As at 01.04.2017	Additions	Disposals	**As at 31.03.2018**	As at 01.04.2017	For the Period	Disposals	**As at 31.03.2018**	**As at 31.03.2018**
Computer Software	**134.8**	**39.9**	**-**	**174.7**	**67.7**	**30.7**	**-**	**98.4**	**76.3**
	129.6	*5.2*	*-*	*134.8*	*31.6*	*36.1*	*-*	*67.7*	*67.1*
Trademarks and Licences	**182.8**	**63.0**	**12.5**	**233.3**	**54.5**	**51.3**	**8.9**	**96.9**	**136.4**
	92.7	*90.1*	*-*	*182.8*	*19.8*	*34.7*	*-*	*54.5*	*128.3*
Dossiers / Marketing rights	**-**	**2,988.9**	**-**	**2,988.9**	**-**	**67.3**	**-**	**67.3**	**2,921.6**
	-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Total	**317.6**	**3,091.8**	**12.5**	**3,396.9**	**122.2**	**149.3**	**8.9**	**262.6**	**3,134.3**
	222.3	*95.3*	*-*	*317.6*	*51.4*	*70.8*	*-*	*122.2*	*195.4*

a) Previous year figures are given in italics below current year figures in each class of assets.

4. NON-CURRENT INVESTMENTS

	Number	Face Value	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Unquoted				
a. In Subsidiary Companies (at Cost)				
Equity Instruments	**Number**	**Face Value**		
- Lupin Holdings B.V., Netherlands	105,829 (105,829)	Euro 1,000	6,720.3	6,720.3
- Lupin Pharmaceuticals, Inc., USA	30 (30)	USD 0.001	13.8	13.8
- Lupin Australia Pty Ltd., Australia	800,000 (800,000)	AUD *	33.3	33.3
- Lupin Healthcare Ltd., India (Including 6 shares held by nominees)	2,616,677 (2,616,677)	₹ 10	81.7	81.7
- Lupin Atlantis Holdings SA, Switzerland	2,486 (2,486)	CHF 1,000	2,993.7	2,993.7
- Novel Clinical Research (India) Pvt. Ltd., India	- (10,000)		-	0.1
Capital Contributions:				
- Lupin Holdings B.V., Netherlands			6,385.5	6,385.5
- Lupin Atlantis Holdings SA, Switzerland [Refer note 37 (a)]			35,019.0	31,735.5
			51,247.3	47,963.9
b. In Others (Fair Value through Profit or Loss)				
i) Equity Instruments				
- Biotech Consortium India Ltd., India	50,000 (50,000)	₹ 10	0.5	0.5
- Enviro Infrastructure Co. Ltd., India	100,000 (100,000)	₹ 10	1.0	1.0
- Bharuch Enviro Infrastructure Ltd., India [31.03.2018 - ₹ 45,850, 31.03.2017 - ₹ 45,850/-]	4,585 (4,585)	₹ 10		
- Narmada Clean Tech Ltd., India	1,145,190 (1,145,190)	₹ 10	11.5	11.5
- Tarapur Environment Protection Society, India	72,358 (72,358)	₹ 100	7.2	7.2
- Sai Wardha Power Ltd., India	3,007,237 (3,007,237)	₹ 10	30.1	30.1
ii) Bonds				
- National Highways Authority of India, India	500 (500)	₹ 10,000	5.0	5.0
iii) Government Securities				
- National Saving Certificates [Deposited with Government Authority]				
[31.03.2018- ₹ 6,000, 31.03.2017 - ₹ 6,000]				
			55.3	55.3
		Total	**51,302.6**	**48,019.2**

* Shares do not have face value

i) All investments in shares are fully paid up

ii) All investments are stated at cost

iii) All the above subsidiaries are directly or indirectly, wholly owned by the Company

iv) Aggregate amount of unquoted investments	51,302.6	48,019.2
v) Aggregate amount for impairment in value of investments	-	-

5. NON-CURRENT LOANS

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Unsecured, considered good unless otherwise stated		
Security Deposits		
- With Related Parties [Refer note 54 (C)]	43.4	43.4
- Others	524.5	489.4
Loans to Employees	49.0	2.4
Total	**616.9**	**535.2**

6. OTHER NON-CURRENT FINANCIAL ASSETS

Mark to Market Derivative Assets	0.4	-
Earmarked Bank Deposits against guarantees and other commitments	2.8	12.4
Total	**3.2**	**12.4**

7. OTHER NON-CURRENT ASSETS

Capital Advances	506.9	1,495.1
Advances other than Capital Advances		
With Government Authorities (Drawback / Customs and Excise duties receivable)	588.8	618.3
Prepaid Expenses	35.8	54.0
Total	**1,131.5**	**2,167.4**

8. INVENTORIES

Raw Materials	6,268.8	5,470.3
Packing Materials	1,179.8	893.3
Work-in-Process	4,519.7	4,047.5
Finished Goods	5,104.9	5,178.6
Stock-in-Trade	3,048.2	4,267.5
Consumable Stores and Spares	1,216.5	1,079.3
Goods-in-Transit		
- Raw Materials	414.3	225.7
- Packing Materials	26.5	37.9
- Stock-in-Trade	-	25.9
- Consumable Stores and Spares	21.5	30.6
Total	**21,800.2**	**21,256.6**

During the year, the Company recorded inventory write-downs of ₹ 1,401.0 million (previous year ₹ 749.5 million).These adjustments were included in cost of material consumed and changes in inventories.

9. CURRENT INVESTMENTS

	Number of Units	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Unquoted (Fair value through Profit or Loss)			
- **In Mutual Funds**	**Number of Units**		
- Reliance Floating Rate Fund Short Term Plan - Growth Plan	38,030,622 (-)	1,042.2	-
- Aditya Birla Sun Life Cash Plus Daily Dividend-Regular Plan-Reinvestment	1,615,176 (-)	162.0	-
- Axis Liquid Fund - Daily Dividend Reinvestment	1,120,111 (1,479,006)	1,121.7	1,480.3
- Reliance Medium Term Fund Daily Dvidend Plan	- (29,480,054)	-	504.0
- Baroda Pioneer Liquid Fund-Plan A Daily Dividend Reinvestment	- (499,798)	-	500.4
- Birla Sun Life Savings Fund - Daily Dividend-Regular Plan - Reinvestment	- (14,577,804)	-	1,464.2
- Kotak Treasury Advantage Fund Daily Dividend Regular Plan	- (170,846,685)	-	1,722.1
- Kotak Floater Short Term Daily Dividend Regular Plan	- (551,234)	-	557.6
- Reliance Liquid Fund Treasury Plan Daily Dividend Option Dividend Reinvestment	- (1,396,383)	-	2,134.7
- ICICI Prudential Flexible Income Daily Dividend	- (27,563,892)	-	2,914.5
- ICICI Prudential Flexible Income Weekly Dividend	- (13,265,043)	-	1,400.7
- Kotak Low Duration Fund Standard Weekly Dividend Regular Plan	- (1,031,414)	-	1,047.7
- HDFC Floating Rate Income Fund Short Term Plan Dividend Reinvestment Daily	- (177,002,896)	-	1,784.3
- Reliance Money Manager Fund Daily Dividend Plan	- (1,025,655)	-	1,033.3
- Axis Banking & PSU Debt Fund -Daily Dividend	- (603,901)	-	608.7
- Reliance Floating Rate Fund Short Term Plan Daily Dividend Plan	- (49,693,136)	-	502.9
- Birla Sun Life Floating Rate Long Term - Daily Dividend - Regular Plan	- (24,331,993)	-	2,453.3
- Birla Sun Life Floating Rate Long Term - Weekly Dividend - Regular Plan	- (10,095,918)	-	1,011.3
Total		**2,325.9**	**21,120.0**
a) Aggregate amount of unquoted investments		2,325.9	21,132.4
b) Unrealised Loss on Mutual Fund Investments (net) as adjusted above		-	12.4

10. TRADE RECEIVABLES

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Unsecured		
- Considered Good	49,469.9	39,031.8
- Considered Doubtful	175.3	187.3
	49,645.2	39,219.1
Less : Provision for:		
- Good Trade Receivables	6.8	7.3
- Doubtful Trade Receivables	175.3	187.3
	182.1	194.6
[Refer note 50 for information about credit risk and market risk of trade receivables] **Total**	**49,463.1**	**39,024.5**

Trade receivables include debts due from subsidiary companies ₹ 41,182.5 million (previous year ₹ 31,533.9 million) [Refer note 54 (C)]

11. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents (as per IND AS-7 - "Statement of Cash Flows")		
Bank Balances		
- In Current Accounts (including money-in-transit)	978.1	1,492.8
- In EEFC Account	67.2	33.0
Cheques on hand	7.4	48.8
Cash on hand	4.0	5.5
Total	**1,056.7**	**1,580.1**

12. OTHER BANK BALANCES

Earmarked Balances with Banks		
- Unpaid dividend accounts	42.2	37.5
- Deposits against guarantees and other commitments	10.7	109.6
Bank Deposits maturing more than 3 months but less than 12 months	-	1.2
Total	**52.9**	**148.3**

13. CURRENT LOANS

(Financial assets stated at cost)		
Unsecured, considered good unless otherwise stated		
Security Deposits	151.1	123.6
Other Loans	25.2	26.4
(includes Loans to employees, etc.)		
Total	**176.3**	**150.0**

14. OTHER CURRENT FINANCIAL ASSETS

Receivables from Related Parties [Refer note 54 (C)]	282.7	345.3
Mark to Market Derivative Assets	85.8	551.0
Export Benefits receivable	3,390.0	2,943.4
With Government Authorities (VAT/Cenvat/Service tax/GST credit/refund receivable)	224.5	141.9
Other Current Financial Assets	61.8	3.8
(includes Interest receivables, etc.)		
Total	**4,044.8**	**3,985.4**

15. OTHER CURRENT ASSETS

Advances other than Capital Advances		
Prepaid Expenses	357.6	332.9
Advance to Employees	94.3	62.0
Advance to Vendors		
- Considered Good	561.1	682.2
- Considered Doubtful	42.8	26.9
	603.9	709.1
Less : Provision for Doubtful Advances	42.8	26.9
	561.1	682.2
Export Benefits receivable	1,034.9	451.5
With Government Authorities (VAT/Cenvat/Service tax/GST credit/refund receivable)	6,074.9	3,415.0
Assets Recoverable From Customers	45.8	32.2
Total	**8,168.6**	**4,975.8**

16. EQUITY SHARE CAPITAL

a) Equity Share Capital

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Authorised				
Equity Shares of ₹ 2 each	1,000,000,000	2,000.0	1,000,000,000	2,000.0
Issued, Subscribed and Paid up				
Equity Shares of ₹ 2 each fully paid	452,082,850	904.2	451,576,869	903.2
Total	**452,082,850**	**904.2**	**451,576,869**	**903.2**

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	451,576,869	903.2	450,582,969	901.2
Equity Shares issued during the year pursuant to exercise of ESOPs	505,981	1.0	993,900	2.0
Equity Shares outstanding at the end of the year	**452,082,850**	**904.2**	**451,576,869**	**903.2**

c) Rights attached to Equity Shares

The Company has only one class of equity shares with voting rights having a par value of ₹ 2 per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

During the year ended March 31, 2018, the amount of dividend per equity share distributed to equity shareholders is ₹ 7.5 (previous year ended March 31, 2017, ₹ 7.5).

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shares held by each shareholder holding more than 5% equity shares

Name of Shareholder	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	**% of Holding**	No. of Shares	% of Holding
Lupin Investments Pvt. Limited	205,608,135	45.48	-	-
Zyma Laboratories Limited	-	-	55,658,383	12.33
Rahas Investments Pvt. Limited	-	-	46,083,534	10.21
Visiomed Investments Pvt. Limited	-	-	44,102,333	9.77
Lupin Holdings Pvt. Limited	-	-	40,828,758	9.04

e) Shares reserved for issuance under Stock Option Plans of the Company

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	**₹ in million**	No. of Shares	₹ in million
Lupin Employees Stock Option Plan 2003	133,603	0.3	203,163	0.4
Lupin Employees Stock Option Plan 2005	51,770	0.1	67,633	0.1
Lupin Employees Stock Option Plan 2011	1,428,016	2.9	1,615,790	3.2
Lupin Employees Stock Option Plan 2014	2,975,445	6.0	3,209,432	6.4
Lupin Subsidiary Companies Employees Stock Option Plan 2005	110,804	0.2	112,613	0.2
Lupin Subsidiary Companies Employees Stock Option Plan 2011	710,130	1.4	722,479	1.4
Lupin Subsidiary Companies Employees Stock Option Plan 2014	1,125,000	2.3	1,125,000	2.3

f) Aggregate number of shares issued during last five years pursuant to Stock Option Plans of the Company

Particulars	**As at 31.03.2018 Aggregate No. of Shares**	As at 31.03.2017 Aggregate No. of Shares
Equity Shares issued under various Stock Option Plans of the Company	4,553,357	4,935,188

g) No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the Balance Sheet date.

17. OTHER EQUITY

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Reserves and Surplus		
Capital Reserve		
Opening and Closing Balance as per last Balance Sheet		
- Investment Subsidies from Central Government	1.0	1.0
- Investment Subsidies from State Government	8.2	8.2
- On restructuring of capital of the Company under the Scheme of Amalgamation	254.7	254.7
	263.9	263.9
Capital Redemption Reserve		
Opening and Closing Balance as per last Balance Sheet	126.5	126.5
Securities Premium Account		
Opening Balance as per last Balance Sheet	7,551.9	6,781.0
Add : Additions during the year*	577.6	770.9
Balance as at the year end	8,129.5	7,551.9
Employees Stock Options Outstanding [Refer note 43]		
Opening Balance as per last Balance Sheet	1,737.5	1,143.8
Add : Amortisation during the year	849.5	965.6
Less : Exercised during the year	433.4	346.3
Less : Transfer to General Reserve	39.8	25.6
Balance as at the year end	2,113.8	1,737.5
General Reserve		
Opening Balance as per last Balance Sheet	16,560.7	16,535.1
Add : Transfer from share based payments	39.8	25.6
Balance as at the year end	16,600.5	16,560.7
Retained Earnings		
Opening Balance as per last Balance Sheet	120,241.8	92,899.5
Add : Profit for the year	13,446.6	31,413.3
Less : Final Dividend on Equity Shares [Refer note 16 (c)]	3,388.1	3,382.4
Less : Corporate Tax on Dividend **	689.7	688.6
Balance as at the year end	129,610.6	120,241.8
Amalgamation Reserve		
Opening and Closing Balance as per last Balance Sheet	317.9	317.9
Other Comprehensive Income		
Cash Flow Hedge Reserve [Refer note 52 (c)]		
Opening Balance as per last Balance Sheet	379.1	187.9
Add / (Less) : Effect of foreign exchange rate variations on hedging instruments outstanding	(319.9)	192.3
[net of deferred tax of ₹ (144.8) million (previous year ₹ 83.0 million)]		
(Less) / Add : Hedge Ineffectiveness recognised in Statement of Profit and Loss	1.4	(1.1)
Balance as at the year end	60.6	379.1
Actuarial Gain / (Loss)		
Opening Balance as per last Balance Sheet	(280.1)	(26.1)
Add / (Less) : Additions during the year	2.2	(254.0)
Balance as at the year end	(277.9)	(280.1)
Total	**156,945.4**	**146,899.2**

* Represents amount received on allotment of 505,981 (previous year 993,900) Equity Shares of the face value of ₹ 2 each, pursuant to "Lupin Employees Stock Option Plans". [Refer note 43]

** Represents Corporate Tax on Final Dividend ₹ 689.5 million (previous year ₹ 688.0 million) and on dividend paid for previous year on Equity Shares issued after year end pursuant to ESOPs allotment ₹ 0.2 million (previous year ₹ 0.6 million).

Nature of Reserves

a) Capital Reserve

The Capital reserve is created on receipts of government grants for setting up the factories in backward areas, for performing research on critical medicines for the betterment of the society and on restructuring of the Capital of the Company under various schemes of Amalgmation.

b) Capital Redemption Reserve

This reserve represents redemption of redeemable cumulative preference shares in earlier years.

c) Securities Premium

Securities premium account comprises of premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

d) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

e) Amalgamation Reserve

This reserve represents creation of amalgamation reserve pursuant to the scheme of amalgamation between erstwhile Lupin Laboratories Ltd. and the Company.

f) Cash Flow Hedge Reserve

The cash flow hedge 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 changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassfied to statement of profit and loss only when the hedged items affect the profit or loss.

18. NON-CURRENT BORROWINGS

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
[Refer note 25]		
Term Loans - from other parties		
Unsecured		
Deferred Sales Tax Loan from Government of Maharashtra	9.9	16.7
Term Loans from Council for Scientific and Industrial Research (CSIR)	30.9	61.9
Term Loans from Department of Science and Technology (DST)	-	10.3
Total	**40.8**	**88.9**

a) Deferred Sales Tax Loan is interest free and payable in 5 annual installments after expiry of initial 10 years moratorium period from each such year of deferral period beginning from 1998-99 to 2009-10 and ending from 2013-14 to 2024-25.

b) Term Loans from CSIR carry interest of 3.00% p.a. and is payable in 2 annual installments of ₹ 30.9 million each alongwith interest.

c) Term Loans from DST carry interest of 3.00% p.a. and is payable in 1 annual installment of ₹ 10.4 million each alongwith interest.

d) The Company has not defaulted on repayment of loans and interest during the year.

19. TRADE PAYABLES

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Trade Payables	31.6	45.4
Total	**31.6**	**45.4**

20. OTHER NON-CURRENT FINANCIAL LIABILITIES

Payable for Capital Expenditure	1.5	2.2
Employee Benefits Payables	46.8	54.2
Total	**48.3**	**56.4**

21. NON-CURRENT PROVISIONS

Provisions for Employee Benefits [Refer note 27]		
Gratuity [Refer note 44 (ii) A]	1,351.6	1,055.6
Compensated Absences	711.3	623.0
Total	**2,062.9**	**1,678.6**

22. OTHER NON-CURRENT LIABILITIES

Deferred Revenue	831.4	1,052.5
Total	**831.4**	**1,052.5**

23. CURRENT BORROWINGS

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Secured		
Loans from Banks	82.1	970.0
	82.1	970.0
Unsecured		
Loans from Banks	-	4,826.2
	-	4,826.2
Total	**82.1**	**5,796.2**

a) Secured loans comprise of Cash Credit, Current Loans, Packing Credit, Post Shipment Credit, Bills Discounted and Overseas Import Credit and are secured by hypothecation of inventories and trade receivables, and all other moveable assets, including current assets at godowns, depots, in course of transit or on high seas and a second charge on immovable properties and moveable assets of the Company both present and future. It includes foreign currency loans of ₹ nil (previous year ₹ 454.0 million)

b) Unsecured loans comprise of Current Loans, Packing Credit, Post Shipment Credit, Bills Discounted and Overseas Import Credit. It includes Foreign Currency Loan of ₹ nil (previous year ₹ 3,826.2 million)

c) Foreign Currency loans carry interest rate at LIBOR plus market driven margins and those in Indian Rupees carry interest rate at MCLR plus market driven margins.

d) The Company has not defaulted on repayment of loans and interest during the year.

24. TRADE PAYABLES

	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
Acceptances	1,692.6	1,016.1
Other than Acceptances		
- Total outstanding dues of Micro and Small Enterprises [Refer note 48]	1,063.8	828.8
- Total outstanding dues of Others	11,522.3	12,940.0
Total	**14,278.7**	**14,784.9**

25. OTHER CURRENT FINANCIAL LIABILITIES

Current Maturities of Non - Current Borrowings [Refer note 18]		
- Deferred Sales Tax Loan from Government of Maharashtra	6.8	8.4
- Term Loans from CSIR	30.9	30.9
- Term Loans from DST	10.4	10.4
Interest Accrued but not due on Borrowings	0.4	1.0
Unpaid Dividend*	42.2	37.5
Mark to Market Derivative Liabilities	-	266.0
Payable for Capital Expenditure	4,604.4	487.6
Trade Deposits received	184.7	151.2
Employee Benefits Payables	1,146.1	1,654.7
Other Payables	5.4	6.1
(Includes retention money, etc.)		
Total	**6,031.3**	**2,653.8**

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

26. OTHER CURRENT LIABILITIES

Statutory Dues Payables (includes GST, Excise Duty, Provident Fund, Withholding Taxes etc.)	883.9	453.5
Deferred Revenue	124.8	107.4
Advances from customers	223.2	36.3
Total	**1,231.9**	**597.2**

27. CURRENT PROVISIONS

Provisions for Employee Benefits [Refer note 21]		
Gratuity [Refer note 44 (ii) A]	251.4	291.0
Compensated Absences	211.6	277.3
Other Provisions		
For Sales Returns [Refer note 49]	1,007.4	836.4
Total	**1,470.4**	**1,404.7**

28. REVENUE FROM OPERATIONS

	For the Current Year ended 31.03.2018 ₹ in million	For the Previous Year ended 31.03.2017 ₹ in million
Sale		
Goods [Refer note 56]	96,802.5	122,369.5
Research Services	1,736.5	1,611.3
	98,539.0	1,23,980.8
Other Operating Revenue		
Export Benefits and Other Incentives	2,238.8	3,480.4
Insurance Claims	19.4	51.2
Miscellaneous Income	84.6	19.1
	2,342.8	3,550.7
Total	**100,881.8**	**127,531.5**

29. OTHER INCOME

Income on Financial Assets carried at amortised cost		
Interest on Deposits with Banks	7.5	72.0
Other Interest	38.2	38.9
Dividend on Non-Current Investment from Subsidiary company	14.5	30.5
Income on Financial Assets carried at fair value through profit or loss		
Dividend on Mutual Fund Investments	274.8	488.6
Net gain on Sale of Mutual Fund Investments	383.9	7.8
Unrealised Gain on Mutual Fund Investments (net)	55.4	-
Net gain on Foreign Currency Transactions	281.4	-
Other Non-Operating Income (including interest on income tax refunds)	255.5	246.9
Total	**1,311.2**	**884.7**

30 COST OF MATERIALS CONSUMED

Raw Materials Consumed	19,202.0	19,122.8
Packing Materials Consumed	3,393.3	2,945.4
Total	**22,595.3**	**22,068.2**

31. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

Opening Stock:		
Finished Goods	5,178.6	4,776.7
Stock-in-Trade	4,293.4	2,935.1
Work-in-Process	4,047.5	3,955.1
	13,519.5	11,666.9
Less:		
Closing Stock:		
Finished Goods	5,104.9	5,178.6
Stock-in-Trade	3,048.2	4,293.4
Work-in-Process	4,519.7	4,047.5
	12,672.8	13,519.5
Changes In Inventories:		
Finished Goods	73.7	(401.9)
Stock-in-Trade	1,245.2	(1,358.3)
Work-in-Process	(472.2)	(92.4)
Total	**846.7**	**(1,852.6)**

32. EMPLOYEE BENEFITS EXPENSE

	For the Current Year ended 31.03.2018 ₹ in million	For the Previous Year ended 31.03.2017 ₹ in million
Salaries and Wages	11,765.9	11,407.9
Contribution to Provident and Other Funds	1,039.3	945.2
Gratuity Expense	92.4	21.6
Share Based Payments Expense [Refer note 43]	643.2	738.0
Staff Welfare Expenses	875.6	917.6
Total	**14,416.4**	**14,030.3**

33. FINANCE COSTS

Interest on Financial Liabilities - borrowing carried at amortised cost	44.4	100.1
Net Interest on net defined benefit liability	154.9	111.2
Other Borrowing Costs (includes bank charges, etc.)	133.1	82.9
Total	**332.4**	**294.2**

34. OTHER EXPENSES

Processing Charges	1,084.6	1,046.0
Stores and Spares Consumed	3,932.6	4,699.0
Repairs and Maintenance:		
- Buildings	264.8	263.5
- Plant and Machinery	978.5	874.4
- Others	1,151.6	1,086.2
Rent	258.1	256.8
Rates and Taxes	900.7	1,030.9
Insurance	375.3	341.9
Power and Fuel	3,813.2	3,342.3
Contract Labour Charges	1,108.8	978.5
Excise Duty (net) [Refer note 55]	76.0	1,269.5
Selling and Promotion Expenses	4,689.0	5,145.1
Commission, Brokerage and Discount	856.5	891.3
Freight and Forwarding	562.7	551.6
Lease Rent and Hire Charges [Refer note 41]	833.5	757.1
Postage and Telephone Expenses	272.1	270.2
Travelling and Conveyance	1,745.8	1,841.4
Legal and Professional Charges	3,646.8	3,906.8
[Net of recoveries of ₹ 15.3 million (previous year ₹ nil)]		
Donations	41.8	69.7
Clinical and Analytical Charges	3,422.9	3,355.0
Loss on Sale / Write-off of Property, Plant and Equipment / Intangible Assets (net)	26.6	50.8
Bad Trade Receivables / Advances / Deposits written off	7.0	4.0
[Net of provision of earlier years adjusted ₹ 32.0 million (previous year ₹ 241.0 million)]		
Provision for Doubtful Trade Receivables / Advances / Deposits (net)	32.9	120.3
Unrealised Loss on Mutual Fund Investments (net)	-	12.4
Corporate Social Responsibility Expenses [Refer note 47]	216.8	196.8
Directors Sitting Fees	1.4	1.2
Net loss on Foreign Currency Transactions	-	871.3
Business Compensation and Settlement Expenses	18.6	1,343.8
Miscellaneous Expenses	544.7	644.5
Total	**30,863.3**	**35,222.3**

35. COMMITMENTS:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, ₹ 1824.7 million (previous year ₹ 3655.4 million).
b) Letters of comfort for support in respect of a subsidiary in the previous year. The Company considers its investments in subsidiary as strategic and long-term in nature. The Company is committed to operationally, technically and financially support the operations of its subsidiary.
c) Other commitments – Non-cancellable operating leases (Refer note 41).
d) Dividends proposed of ₹ 5/- (previous year ₹ 7.5) per equity share before the financial statements approved for issue, but not recognised as a liability in the financial statements is ₹ 2260.5 million (previous year ₹ 3386.8 million)

36. CONTINGENT LIABILITIES:

	Particulars	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
a)	Income tax demands/matters on account of deductions/disallowances for earlier years, pending in appeals [including ₹ 42.7 million (previous year ₹ 284.9 million) consequent to department preferring appeals against the orders of the Appellate Authorities passed in favour of the Company]. Amount paid there against and included under "Current Tax Assets (Net)" ₹ nil (previous year ₹ 264.8 million) and "Non-current Tax Assets (Net)" ₹ 330.3 million (previous year ₹ 146.9 million).	952.1	1125.6
b)	Customs duty, Excise duty, Service tax and Sales tax demands, for input tax credit disallowances and demand for Entry Tax are in appeals and pending decisions. Amount paid there against and included under note 13 "Current Loans" ₹ 23.4 million (previous year ₹ 23.6 million).	163.3	155.6
c)	Claims against the Company not acknowledged as debts (excluding interest where the amount is unascertainable) for transfer charges of land, octroi duty, local body tax, employee claims, power, trade marks, pricing, indemnity and stamp duty. Amount paid there against without admitting liability and included under note 13 "Current Loans" ₹ 115.9 million (previous year ₹ 118.1 million).	782.6	750.4
d)	Letter of comfort issued by the Company towards the credit facilities sanctioned by the bankers of a subsidiary aggregating ₹ nil (previous year ₹ 129.1 million).	-	83.9
e)	Outstanding credit facilities against corporate guarantees given in respect of credit facilities sanctioned by bankers of subsidiary companies for the purpose of acquisitions, working capital and other business requirements aggregating ₹ 71808.2 million (previous year ₹ 69522.8 million).	66719.6	66303.4
f)	Financial guarantees aggregating to ₹ 8081.7 million (previous year ₹ nil) given to third party on behalf of subsidiaries for contractual obligations	-	-
g)	During the year ended 31.03.2015, the Company received a notice from the European Commission for alleged breach of the EU Antitrust Rules, whereby it has sought to levy a fine of Euro 40.0 million (₹ 3232.3 million) on the Company in respect of an agreement entered into by the Company with Laboratories Servior, France, for sale of certain patent applications and IPs for the product Perindopril which the European Commission considered as anti-competitive. The Company, based on facts of the matter and legal advice received does not agree with the said notice/demand and is of the view that it has a strong case to defend itself. Accordingly, the Company has filed an appeal before the European General Court. A bank guarantee (excluding interest) of Euro 40.0 million equivalent to ₹ 3232.3 million (previous year Euro 40.0 million equivalent to ₹ 2771.7 million) has been furnished to the European Commission.		

Future cash outflows in respect of the above, if any, is determinable only on receipt of judgement/decisions pending with the relevant authorities. The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

The Company does not envisage any likely reimbursements in respect of the above.

The Company is involved in various legal proceedings, including claims against the Company pertaining to Income tax, Excise, Customs, Sales/VAT tax, product liability related claims, employment claims and other regulatory matters relating to conduct of its business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability where applicable, in the financial statements. The Company carries product liability insurance policy with 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 will not have material adverse effect on its financial statements.

37. a) During the year, the Company has made additional Capital Contribution of ₹ 3283.5 million (previous year ₹ 10610.4 million) in Lupin Atlantis Holdings SA, Switzerland (LAHSA), a wholly owned subsidiary.

b) During the year, Novel Clinical Research (India) Private Limited, India (Novel India), wholly owned subsidiary of the Company had applied for removal of its name from the Register of Companies w.e.f. March 27, 2018 with the Registrar of Companies, Bangalore, and the order pursuant to such application is awaited as at March 31, 2018. The Company has written-off its investment of ₹ 0.1 million in Novel India (previous year, 100% shareholding of Novel India was transferred from Novel Laboratories Inc., USA to the Company for ₹ 0.1 million).

c) During the year, the Company, through its wholly owned subsidiary Lupin Holdings B.V., Netherlands (LHBV), acquired/ subscribed to the equity stake of the following subsidiaries:

i) Additional investment in Generic Health SDN. BHD., Malaysia at a total cost of ₹ 0.8 million (previous year ₹ 1.0 million).

ii) Additional investment in Lupin Ukraine LLC, Ukraine at a total cost of ₹ nil (previous year ₹ 269/- for 0.01% equity stake).

d) During the year, the Company, through its wholly owned subsidiary LAHSA acquired/subscribed to the equity stake of the following subsidiaries:

i) Additional investment in Lupin Inc., USA at a total cost of ₹ 3294.3 million (previous year ₹ 5319.6 million) as additional paid-in capital – securities premium.

ii) Additional investment in Lupin Pharma LLC, Russia at a total cost of ₹ nil (previous year ₹ 33.7 million as capital contribution for 99.99% equity stake).

iii) Additional investment in Lupin Pharma Canada Ltd., Canada (LPCL) at a total cost of ₹ nil (previous year ₹ 250.8 million for 100% equity stake transferred from LHBV).

iv) Additional investment in Lupin Healthcare (UK) Limited, UK [formerly Lupin (Europe) Limited, UK] at a total cost of ₹ nil (previous year ₹ 259.7 million).

v) Additional investment in Lupin Ukraine LLC, Ukraine at a total cost of ₹ nil (previous year ₹ 0.3 million for 99.99% equity stake).

vi) Additional investment in Lupin Japan & Asia Pacific, Japan at a total cost of ₹ nil (previous year ₹ 2.9 million for 100% equity stake).

vii) Additional investment in Lupin Latam, Inc., USA at a total cost of ₹ 12.9 million as capital contribution (previous year ₹ 68/- for 100% equity stake).

viii) Additional investment in Medquimica Industria Farmaceutica LTDA, Brazil (MQ) at a total cost of ₹ nil (previous year ₹ 268.8 million resulting into LAHSA's equity stake in MQ equal to 95.44%).

ix) 100% equity stake in Lupin Europe GmbH at a total cost of ₹ 2.0 million (previous year ₹ nil).

e) During the current year, Lupin Inc., USA (LINC), a wholly owned subsidiary of LAHSA, made additional investment in Lupin Research Inc., USA at a total cost of ₹ 769.1 million as capital contribution (previous year ₹ nil).

The above acquisitions/subscriptions/disposals are based on the net asset values, the future projected revenues, operating profits, cash flows and independent valuation reports; as applicable, of the investee companies.

38. Pre-operative expenses pending capitalisation included in Capital Work-In-Progress represent direct attributable expenditure for setting up of plants prior to the date of commencement of commercial production. The same will be capitalised on completion of projects and commencement of commercial operations. The details of pre-operative expenses are:

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Opening balance	273.0	231.3
Incurred during the year:		
Salaries, allowances and contribution to funds	120.8	145.4
Legal and Professional Charges	6.1	1.7
Travelling and Conveyance	18.0	18.5
Power and fuel	-	150.0
Others	111.5	69.9
Total incurred during the year	256.4	385.5
Less: Capitalised during the year	102.0	343.8
Closing balance	**427.4**	**273.0**

39. SEGMENT REPORTING:

The Company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same Annual Report. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments", no disclosures related to segments are presented in these standalone financial statements.

40. AUDITORS' REMUNERATION:

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Payment to Auditors*:		
a) As Auditors	13.0	13.0
b) For other services including Certification	4.5	4.5
c) Reimbursement of out-of-pocket expenses	1.0	0.5
Total	**18.5**	**18.0**

* Excluding GST, Service tax and Swachh Bharat Cess

41. The Company procures equipments, vehicles and office premises under operating lease agreements that are renewable on a periodic basis at the option of both lessor and lessee. The initial tenure of the lease is generally between 12 months to 60 months. The lease rentals are included in 'Lease Rent and Hire Charges' in the Statement of Profit and Loss (Refer note 34) for the year are ₹ 736.4 million (previous year ₹ 652.8 million). The contingent rent recognised in the Statement of Profit and Loss for the year is ₹ nil (previous year ₹ nil). The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

Particulars	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
Not later than one year	688.7	583.4
Later than one year but not later than five years	1212.5	1380.8
Later than five years	25.7	26.4
Total	**1926.9**	**1990.6**

42. BASIC AND DILUTED EARNINGS PER SHARE IS CALCULATED AS UNDER:

Particulars	**Year Ended 31.03.2018**	Year Ended 31.03.2017
Profit attributable to Equity Shareholders (₹ in million)	13446.6	31413.3
Weighted average number of Equity Shares:		
- Basic	451847593	451121270
Add : Effect of dilutive issue of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as at the year end	1481004	1845914
- Diluted	453328597	452967184
Earnings per Share (in ₹)		
- Basic	29.76	69.63
- Diluted	29.66	69.35

43. SHARE-BASED PAYMENT ARRANGEMENTS:

Employee stock options – equity settled

The Company implemented "Lupin Employees Stock Option Plan 2003" (ESOP 2003), "Lupin Employees Stock Option Plan 2005" (ESOP 2005), "Lupin Subsidiary Companies Employees Stock Option Plan 2005" (SESOP 2005), "Lupin Employees Stock Option Plan 2011" (ESOP 2011), "Lupin Subsidiary Companies Employees Stock Option Plan 2011" (SESOP 2011), "Lupin Employees Stock Option Plan 2014" (ESOP 2014) and "Lupin Subsidiary Companies Employees Stock Option Plan 2014" (SESOP 2014) in earlier years, as approved by the Shareholders of the Company and the Nomination and Remuneration Committee of the Board of Directors (the Committee).

The Committee determines which eligible employees will receive options, the number of options to be granted, the vesting period and the exercise period. The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2 each. The options issued under the above schemes vest in a phased manner after completion of the minimum period of one year with an exercise period of ten years from the respective grant dates.

Category A - Fair Market Value Options (comprising of options granted under ESOP 2003, ESOP 2005, SESOP 2005, ESOP 2011, SESOP 2011, ESOP 2014 and SESOP 2014)

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	3540762	114.6-2037.5	1088.7	7.3
Add : Options granted during the year	23795	831.5-1407.9	1036.2	9.5
Less : Options lapsed during the year	246039	138.6-2037.5	1323.4	NA
Less : Options exercised during the year	271994	114.6-1164.8	532.1	NA
Options outstanding at the year end	3046524	114.6-2037.5	1119.1	6.4
Exercisable at the end of the period	2063215	114.6-2037.5	975.0	5.7

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	3371309	86-2037.5	796.9	6.6
Add : Options granted during the year	1357195	1441-1521.7	1495.2	9.4
Less : Options lapsed during the year	319230	414-2037.5	1361.9	NA
Less : Options exercised during the year	868512	86-1368.1	490.9	NA
Options outstanding at the year end	3540762	114.6-2037.5	1088.7	7.3
Exercisable at the end of the period	1571038	114.6-2037.5	753.7	5.6

The weighted average grant date fair value of fair market value of the options granted under Category A during the years ended March 31, 2018 and 2017 was ₹ 337.0 and ₹ 494.7 per option, respectively.

Category B - Par Value Options (comprising of options granted under ESOP 2014)

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	1060444	2.0	2.0	8.9
Add : Options granted during the year	549854	2.0	2.0	9.6
Less : Options lapsed during the year	57503	2.0	2.0	NA
Less : Options exercised during the year	233987	2.0	2.0	NA
Options outstanding at the year end	1318808	2.0	2.0	8.7
Exercisable at the end of the period	134944	2.0	2.0	7.7

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	696073	2.0	2.0	9.3
Add : Options granted during the year	533693	2.0	2.0	9.5
Less : Options lapsed during the year	43934	2.0	2.0	NA
Less : Options exercised during the year	125388	2.0	2.0	NA
Options outstanding at the year end	1060444	2.0	2.0	8.9
Exercisable at the end of the period	75650	2.0	2.0	8.2

The weighted average grant date fair value of par value of the options granted under Category B during the years ended March 31, 2018 and 2017 was ₹ 905.4 and ₹ 1417.6 per option, respectively.

Category C - Discounted Fair Market Value Options (comprising of options granted under ESOP 2003, ESOP 2005 and ESOP 2011)

Current Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	150000	720.5-891.5	778.9	8.6
Add : Options granted during the year	50000	415.7	415.7	9.7
Less : Options lapsed during the year	-	-	-	NA
Less : Options exercised during the year	-	-	-	NA
Options outstanding at the year end	200000	415.7-891.5	688.1	8.1
Exercisable at the end of the period	150000	720.5-891.5	778.9	7.6

Previous Year

Particulars	Shares arising out of options (Nos.)	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Yrs)
Options outstanding at the beginning of the year	100000	724.7-891.5	808.1	9.1
Add : Options granted during the year	50000	720.5	720.5	9.6
Less : Options lapsed during the year	-	-	-	NA
Less : Options exercised during the year	-	-	-	NA
Options outstanding at the year end	150000	720.5-891.5	778.9	8.6
Exercisable at the end of the period	100000	724.7-891.5	808.1	3.8

The weighted average grant date fair value of discounted fair market value options granted under Category C during the years ended March 31, 2018 and 2017 was ₹ 483.2 and ₹ 808.8 per option, respectively.

The weighted average share price during the year ended March 31, 2018 and 2017 was ₹ 1010.3 and ₹ 1516.0 per share respectively.

Valuation of stock options

The fair value of stock options granted during the period has been measured using the Black–Scholes option pricing model at the date of the grant. The Black-Scholes option pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. The key inputs and assumptions used are as follows:

Share price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.

Exercise Price: Exercise Price is the market price or face value or such other price as determined by the Remuneration and Compensation Committee.

Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.

Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for four years preceding the date of the grant.

Risk free interest rate: The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards.

The weighted average inputs used in computing the fair value of options granted were as follows:

Weighted average information – 2017-18

Category	Grant date	Exercise price	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price	Weighted Option Fair Value
A	April 24, 2017	1407.9	6.7	4.5	27.2	0.6	1361.5	431.2
B	April 24, 2017	2.0	6.5	3.5	28.2	0.6	1361.5	1334.0
B	July 19, 2017	2.0	6.4	3.5	28.4	0.6	1172.3	1148.4
B	October 17, 2017	2.0	6.5	3.5	27.8	0.6	1066.2	1044.3
A	November 28, 2017	831.5	6.9	4.5	28.6	0.6	832.3	285.2
B	November 28, 2017	2.0	6.7	3.5	29.4	0.6	832.3	814.9
C	November 28, 2017	415.7	6.6	3.0	30.4	0.6	832.3	483.2
B	January 2, 2018	2.0	6.9	3.5	29.1	0.6	875.2	856.9

Category	Weighted Average Option Fair Value	Weighted Average Share Price
A	337.0	1020.3
B	905.4	924.6
C	483.2	832.3

Weighted average information – 2016-17

Category	Grant date	Exercise price	Risk free rate (%)	Expected life (years)	Expected Volatility (%)	Dividend yield (%)	Weighted average share price	Weighted Option Fair Value
A	April 1, 2016	1479.3	7.8	4.5	30.6	0.7	1464.9	533.2
A	April 1, 2016	1479.3	7.8	3.8	27.0	0.7	1464.9	450.8
A	April 1, 2016	1479.3	7.8	4.5	30.6	0.7	1464.9	533.2
A	April 1, 2016	1479.3	7.8	3.8	27.0	0.7	1464.9	450.8
B	August 25, 2016	2.0	7.3	3.5	27.3	0.6	1522.2	1489.0
A	August 25, 2016	1521.7	7.3	3.8	27.1	0.6	1522.2	467.2
A	August 25, 2016	1521.7	7.4	4.5	30.4	0.6	1522.2	552.2
A	August 25, 2016	1521.7	7.3	3.8	27.1	0.6	1522.2	467.2
A	August 25, 2016	1521.7	7.4	4.5	30.4	0.6	1522.2	552.2
B	January 3, 2017	2.0	7.3	3.5	28.5	0.6	1505.5	1472.7
A	January 3, 2017	1505.8	7.4	4.5	27.2	0.6	1505.5	515.9
A	January 3, 2017	1505.8	7.4	4.5	27.2	0.6	1505.5	515.9
A	January 24, 2017	1483.3	7.4	4.5	27.1	0.6	1504.7	524.1
B	June 9, 2016	2.0	7.3	3.5	27.4	0.6	1427.2	1396.0
C	November 16, 2016	720.5	7.3	3.0	27.7	0.6	1407.1	808.8
A	November 16, 2016	1441.0	7.4	4.5	30.6	0.6	1407.5	498.3
B	November 16, 2016	2.0	7.3	3.5	27.3	0.6	1407.5	1376.6

Category	Weighted Average Option Fair Value	Weighted Average Share Price
A	494.7	1488.8
B	1417.6	1449.3
C	808.8	1407.1

44. POST-EMPLOYMENT BENEFITS:

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. The superannuation fund is administered by the Life Insurance Corporation of India (LIC). Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Company recognised ₹ 203.8 million (previous year ₹ 196.1 million) for superannuation contribution and ₹ 243.0 million (previous year ₹ 231.9 million) for provident and pension fund contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

A) The Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment as under:

a) On normal retirement / early retirement / withdrawal / resignation:
As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

b) On death in service:
As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

In addition to the above mentioned scheme, the Company also pays additional gratuity as an ex-gratia and the said amount is provided as non-funded liability based on actuarial valuation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at the Balance Sheet date.

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
I)	**Reconciliation in present value of obligations ('PVO') – defined benefit obligation:**				
	Current service cost	131.3	124.1	104.2	90.9
	Past service cost	211.2	-	(211.2)	-
	Interest cost	91.4	75.6	82.8	50.9
	Actuarial loss / (gain)				
	- Due to demographic assumption	-	-	-	-
	- Due to finance assumption	16.2	32.2	34.3	43.6
	- Due to experience assumption	29.9	72.8	(83.3)	251.6
	Benefits paid	(135.3)	(83.5)	-	-
	PVO at the beginning of the year	1235.6	1014.4	1120.3	683.3
	PVO at the end of the year	1580.3	1235.6	1047.1	1120.3
II)	**Change in fair value of plan assets:**				
	Expected return on plan assets	(1.7)	11.7	-	-
	Interest Income	74.6	63.7	-	-
	Contributions by the employer	74.7	162.7	-	-
	Benefits paid	(132.5)	(83.5)	-	-
	Fair value of plan assets at the beginning of the year	1009.3	854.7	-	-
	Fair value of plan assets at the end of the year	1024.4	1009.3	-	-

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at the end of the year	1580.3	1235.6	1047.1	1120.3
	Fair Value of plan assets at the end of the year	1024.4	1009.3	-	-
	Funded status	(555.9)	(226.3)	(1047.1)	(1120.3)
	Unrecognised actuarial gain / (loss)	-	-	-	-
	Net liability recognised in the Balance Sheet	(555.9)	(226.3)	(1047.1)	(1120.3)
IV)	**Expense recognised in the Statement of Profit and Loss:**				
	Current service cost	131.3	124.1	104.2	90.9
	Past service cost	211.2	-	(211.2)	-
	Interest cost	16.7	11.9	82.8	50.9
	Total expense recognised in the Statement of Profit and Loss	359.2*	136.0*	(24.2)*	141.8*
V)	**Other Comprehensive Income**				
	Actuarial loss / (gain)				
	- Due to demographic assumption	-	-	-	-
	- Due to finance assumption	16.2	32.2	34.3	43.6
	- Due to experience assumption	29.9	72.8	(83.3)	251.6
	Return on plan assets excluding net interest	1.7	(11.7)	-	-
	Total amount recognised in OCI	47.8	93.3	(49.0)	295.2
VI)	**Category of assets as at the end of the year:**				
	Insurer Managed Funds (100%) (Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)	1024.4	1009.3	NA	NA
VII)	**Actual return on the plan assets:**	72.9	75.4	NA	NA
VIII)	**Assumptions used in accounting for the gratuity plan:**				
	Mortality (%)	Rates stipulated in Indian Assured Lives Mortality 2006-08			
	Discount rate (%)	7.8	7.4	7.8	7.4
	Salary escalation rate (%)	9.0 for first two years and 6.0 thereafter	9.0 for first year and 6.0 thereafter	9.0 for first two years and 6.0 thereafter	9.0 for first year and 6.0 thereafter
	Average Remaining Service (years)	11.9	12.4	11.9	12.4
	Employee Attrition Rate (%) up to 5 years above 5 years	 15.0 5.0	 15.0 5.0	 15.0 5.0	 15.0 5.0
IX)	**Estimate of amount of contribution in immediate next year**	239.1	222.4	NA	NA

* ₹ 2.9 million (previous year ₹ 35.0 million) capitalised as pre-operative expenses, out of above amount.

X)

(₹ in million)

Gratuity (Funded)	Year Ended				
	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Experience adjustment					
- On plan liabilities	29.9	72.8	25.4	(15.3)	32.6
- On plan assets	-	-	-	2.0	4.2
Present value of benefit obligation	1580.2	1235.6	1014.4	868.4	652.4
Fair value of plan assets	1024.4	1009.3	854.7	660.8	580.9
Excess of (obligation over plan assets)/ plan assets over obligation	(555.9)	(226.3)	(159.7)	(207.6)	(71.5)

XI) Expected future benefit payment

(₹ in million)

Particulars	As at 31.03.2018
1 year	415.9
2 to 5 years	971.5
6 to 10 years	1140.2
More than 10 years	3328.5

The estimates of salary escalation considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Reasonably, possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in million)

Gratuity (Funded)	2017-2018		2016-2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (1% movement)	(194.3)	224.1	(177.9)	206.1
Future salary growth (1% movement)	224.5	(198.0)	206.2	(181.1)

B) The provident fund plan of the Company, except at two plants, is operated by “Lupin Limited Employees Provident Fund Trust” (“Trust”), a separate legal entity. Eligible employees receive benefits from the said Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plans equal to a specified percentage of the covered employee’s salary.

The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the Government of India. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Board of Trustees administer the contributions made by the Company to the schemes and also defines the investment strategy to act in the best interest of the plan participants.

The Company has an obligation to service the shortfall on account of interest generated by the fund and on maturity of fund investments and hence the same has been classified as Defined Benefit Plan in accordance with Ind AS 19 “Employee Benefits”. As per the Guidance Note from the Actuarial Society of India, the Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund as at March 31, 2018 and based on the same, there is no shortfall towards interest rate obligation.

45. INCOME TAXES:

a) Tax expense recognised in profit and loss:

Particulars	Year Ended 31.03.2018 ₹ in million	Year Ended 31.03.2017 ₹ in million
Current Tax Expense for the year	4056.0	10141.6
Tax expense w/back of prior years	(190.3)	(388.1)
Fringe Benefit Tax w/back of prior years	-	(260.1)
Net Current Tax Expense	3865.7	9493.4
Deferred income tax liability/(asset), net		
Origination and reversal of temporary differences	627.0	883.9
Tax expense for the year	**4492.7**	**10377.3**

b) Tax expense recognised in other comprehensive income:

Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	1.0	134.5
Items that will be reclassified to profit or loss		
The effective portion of gains and loss on hedging instruments in a cash flow hedge	144.8	(83.0)
Total	**145.8**	**51.5**

c) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:

Particulars	**Year Ended 31.03.2018 ₹ in million**	Year Ended 31.03.2017 ₹ in million
Profit before tax	17939.3	41790.6
Tax using the Company's domestic tax rate (March 31, 2018: 34.61%, March 31, 2017: 34.61%)	6208.8	14463.7
Tax effect of:		
Expenses not deductible for tax purposes	514.4	380.9
Impact of change in tax rates	26.1	-
Incremental deduction allowed for Research and Development costs	(1086.8)	(2833.0)
Exemption of profit link incentives	(827.1)	(624.4)
Other Exemption Income	(96.2)	(168.9)
Investment Allowance	(19.0)	(143.5)
Tax Incentive on additional employment	(8.9)	(5.7)
Other	(28.3)	(43.6)
Current and Deferred Tax expense (excluding prior year taxes) as per note 45(a)	**4683.0**	**11025.5**

d) Movement in deferred tax balances:

(Current Year ₹ in million)

Particulars	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2018	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)						
Property, plant and equipment	(3974.4)	(53.2)	-	(4027.6)	-	(4027.6)
Cash Flow Hedge Reserve	(170.0)	-	144.8	(25.2)	-	(25.2)
Trade Receivables	67.4	11.2	-	78.6	78.6	-
Deferred Income	401.7	(58.0)	-	343.7	343.7	-
VRS Compensation	36.1	(3.3)	-	32.8	32.8	-
Provision of claims	539.5	(539.5)	-	-	-	-
Employee benefits	704.2	47.8	1.0	753.0	753.0	-
Other items	293.4	(32.0)	-	261.4	261.4	-
Net Deferred tax assets / (liabilities)	**(2102.1)**	**(627.0)**	**145.8**	**(2583.3)**	**1469.5**	**(4052.8)**

(Previous Year ₹ in million)

Particulars	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2017	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)						
Property, plant and equipment	(2562.5)	(1411.9)	-	(3974.4)	-	(3974.4)
Cash Flow Hedge Reserve	(87.0)	-	(83.0)	(170.0)	-	(170.0)
Trade Receivables	123.3	(55.9)	-	67.4	67.4	-
Deferred Income	352.1	49.6	-	401.7	401.7	-
VRS Compensation	40.0	(3.9)	-	36.1	36.1	-
Provision of claims	-	539.5	-	539.5	539.5	-
Employee benefits	461.8	107.9	134.5	704.2	704.2	-
Other items	402.6	(109.2)	-	293.4	293.4	-
Net Deferred tax assets / (liabilities)	**(1269.7)**	**(883.9)**	**51.5**	**(2102.1)**	**2042.3**	**(4144.4)**

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

As on March 31, 2018, tax liability with respect to the dividends proposed before the financial statements approved for issue, but not recognised as a liability in the financial statements is ₹ 464.7 million (previous year ₹ 689.5 million).

46. The aggregate amount of revenue expenditure incurred during the year on Research and Development and shown in the respective heads of account is ₹ 14105.8 million (previous year ₹ 16116.8 million).

47. The aggregate amount of cash expenditure incurred during the year on Corporate Social Responsibility (CSR) is ₹ 216.8 million (previous year ₹ 196.8 million) and is shown separately under note 34 based on Guidance Note on Accounting for Expenditure on CSR Activities issued by the ICAI.

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Donations	187.4	171.5
Employee Benefits Expense	10.3	9.3
Others – Patient Awareness, etc.	19.1	16.0
Total	**216.8**	**196.8**

The amount required to be spent by the Company during the year is ₹ 750.5 million (previous year ₹ 662.5 million). No amount was spent during the year towards construction/acquisition of any asset relating to CSR expenditure.

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

	Particulars	**As at 31.03.2018 ₹ in million**	As at 31.03.2017 ₹ in million
i.	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	1063.8 (interest ₹ nil)	828.8 (interest ₹ nil)
ii.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii.	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv.	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

49. As per best estimate of the management, provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37.

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Carrying amount at the beginning of the year	836.4	720.1
Add : Additional Provisions made during the year	2099.2	1507.1
Less : Amounts used / utilised during the year	1928.2	1390.8
Carrying amount at the end of the year	1007.4	836.4

50. FINANCIAL INSTRUMENTS:

Financial instruments – Fair values and risk management:

A. Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(₹ in million)

As at 31.03.2018	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current Investments - others	55.3	-	-	55.3	-	-	55.3*	55.3
Non-Current Loans								
- Security Deposit	-	-	567.9	567.9	-	-	-	-
- Others	-	-	49.0	49.0	-	-	-	-
Other Non-Current Financial Assets	-	-	-	-	-	-	-	-
- Derivative Instruments	-	0.4	-	0.4	-	0.4	-	0.4
- Others	-	-	2.8	2.8	-	-	-	-
Current Investments	2325.9	-	-	2325.9	2325.9	-	-	2325.9
Trade Receivables	-	-	49463.1	49463.1	-	-	-	-
Cash and Cash Equivalents	-	-	1056.7	1056.7	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	52.9	52.9	-	-	-	-
Current Loans	-	-	176.3	176.3	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	0.4	85.4	-	85.8	-	85.8	-	85.8
- Others	-	-	3959.0	3959.0	-	-	-	-
	2381.6	**85.8**	**55327.7**	**57795.1**	**2325.9**	**86.2**	**55.3**	**2467.4**
Financial liabilities								
Non-Current Borrowings	-	-	40.8	40.8	-	-	-	-
Trade Payables	-	-	31.6	31.6	-	-	-	-
Other Non-Current Financial Liabilities	-	-	48.3	48.3	-	-	-	-
Current Borrowings	-	-	82.1	82.1	-	-	-	-
Trade Payables	-	-	14278.7	14278.7	-	-	-	-
Other Current Financial Liabilities	-	-	-	-	-	-	-	-
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	6031.2	6031.2	-	-	-	-
	-	-	**20512.7**	**20512.7**	-	-	-	-

(₹ in million)

As at 31.03.2017	Carrying amount				Fair value			
	FVTPL	Derivatives designated as hedge	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-Current Investments - others	55.3	-	-	55.3	-	-	55.3*	55.3
Non-Current Loans								
- Security Deposit	-	-	532.8	532.8	-	-	-	-
- Others	-	-	2.4	2.4	-	-	-	-
Other Non-Current Financial Assets	-	-	-	-	-	-	-	-
- Derivative instruments	-	-	-	-	-	-	-	-
- Others	-	-	12.4	12.4	-	-	-	-
Current Investments	21120.0	-	-	21120.0	21120.0	-	-	21120.0
Trade Receivables	-	-	39024.5	39024.5	-	-	-	-
Cash and Cash Equivalents	-	-	1580.1	1580.1	-	-	-	-
Other Bank Balances including earmarked balances with banks	-	-	148.3	148.3	-	-	-	-
Current Loans	-	-	150.0	150.0	-	-	-	-
Other Current Financial Assets								
- Derivative instruments	1.9	549.1	-	551.0	-	551.0	-	551.0
- Others	-	-	3434.4	3434.4	-	-	-	-
	21177.2	**549.1**	**44884.9**	**66611.2**	**21120.0**	**551.0**	**55.3**	**21726.3**
Financial liabilities								
Non-Current Borrowings	-	-	88.9	88.9	-	-	-	-
Trade Payables	-	-	45.4	45.4	-	-	-	-
Other Non-Current Financial Liabilities	-	-	56.4	56.4	-	-	-	-
Current Borrowings	-	-	5796.2	5796.2	-	-	-	-
Trade Payables	-	-	14784.9	14784.9	-	-	-	-
Other Current Financial Liabilities								
- Derivative instruments	266.0	-	-	266.0	-	266.0	-	266.0
- Others	-	-	2387.8	2387.8	-	-	-	-
	266.0	**-**	**23159.6**	**23425.6**	**-**	**266.0**	**-**	**266.0**

* These are for operation purposes and the Company expects its refund on exit. The Company estimates that the fair value of these investments are not materially different as compared to its cost.

B. Measurement of fair values:

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable
Non-current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable

C. Financial risk management:

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i. 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 and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

As at year end, the carrying amount of the Company's largest customer (a Subsidiary based in North America) was ₹ 39130.8 million (previous year ₹ 29436.2 million).

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

(₹ in million)

Particulars	**As at 31.03.2018**	As at 31.03.2017
Not past due but impaired	6.8	7.3
Neither past due not impaired	22753.8	33291.5
Past due not impaired		
- 1-180 days	21354.8	4987.9
- 181-365 days	5354.5	745.1
Past due impaired		
- 1-180 days	30.5	13.9
- 181-365 days	11.6	52.0
- more than 365 days	133.2	121.4
Total	**49645.2**	**39219.1**

Expected credit loss assessment

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Balance as at the beginning of the year	194.6	356.2
Impairment loss recognised (net)	17.0	93.4
Amounts written off	(32.0)	(241.0)
Exchange differences	2.5	(14.0)
Balance as at the year end	182.1	194.6

The impairment loss at March 31, 2018 related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of ₹ 1056.7 million (previous year ₹ 1580.1 million). The cash and cash equivalents are held with banks.

Other Bank Balances

Other bank balances are held with banks.

Derivatives

The derivatives are entered into with banks.

Investment in mutual funds

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.

Other financial assets

Other financial assets are neither past due nor impaired.

ii. Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/low mark to market risks. The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in million)

As at 31.03.2018	Carrying amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-Current Borrowings	88.9	88.9	48.1	35.5	4.9	0.4
Interest Payables	0.4	69.0	12.5	11.0	26.8	18.7
Trade Payables Non-Current	31.6	31.6	-	18.0	13.6	-
Other Non-Current Financial Liabilities	48.3	48.3	-	7.0	13.1	28.2
Current Borrowings	82.1	82.1	82.1	-	-	-
Trade Payables Current	14278.7	14278.7	14278.7	-	-	-
Other Current Financial Liabilities	5982.8	5982.8	5982.8	-	-	-
Issued financial guarantee contracts on behalf of subsidiaries*	-	-	-	-	-	-
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
- Outflow	-	-	-	-	-	-
- Inflow		-	-	-	-	-
Total	**20512.8**	**20581.4**	**20404.2**	**71.5**	**58.4**	**47.3**

(₹ in million)

As at 31.03.2017	Carrying amount	Contractual Cash Flows				
		Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-Current Borrowings	138.6	138.6	49.7	48.0	39.4	1.5
Interest Payables	1.0	82.8	13.8	12.5	29.7	26.8
Trade Payables Non-Current	45.4	45.4	-	19.4	26.0	-
Other Non-Current Financial Liabilities	56.4	56.4	-	8.2	16.8	31.4
Current Borrowings	5796.2	5796.2	5796.2	-	-	-
Trade Payables Current	14784.8	14784.8	14784.8	-	-	-
Other Current Financial Liabilities	2337.1	2337.1	2337.1	-	-	-
Issued financial guarantee contracts on behalf of subsidiaries*	-	-	-	-	-	-
Derivative financial liabilities						
Forward exchange contracts (gross settled)						
- Outflow	266.0	4563.3	4563.3	-	-	-
- Inflow		4280.1	4280.1	-	-	-
Total	**23425.5**	**23241.3**	**22981.6**	**88.1**	**111.9**	**59.7**

* Guarantees issued by the Company on behalf of subsidiaries are with respect to borrowings raised by the respective subsidiary. These amounts will be payable on default by the concerned subsidiary. As of the reporting date, none of the subsidiary have defaulted and hence, the Company does not have any present obligation to third parties in relation to such guarantees (Refer note 54C).

iii. Market Risk:

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. The Company uses derivatives to manage market risk. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

Currency risk

The Company is exposed to currency risk on account of its operations in other countries. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate in the future. Consequently, the Company uses both derivative instruments, i.e, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

The Company enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables.

The Company also enters into derivative contracts in order to hedge and manage its foreign currency exposures towards future export earnings. Such derivatives contracts are entered into by the Company for hedging purposes only, and are accordingly classified as cash flow hedge.

Following is the derivative financial instruments to hedge the foreign exchange rate risk:

(Amount in million)

Category	Instrument	Currency	Cross Currency	**As at 31.03.2018**	As at 31.03.2017	Buy/ Sell
Hedges of highly probable forecasted transactions	Forward contract	USD	INR	USD 96.0	USD 96.0	Sell

In addition to the above, the Company has entered into foreign currency forward contract (buy) aggregating USD nil (with cross currency INR) (previous year USD 66.0 million) for purposes other than hedging.

Exposure to Currency risk

Following is the currency profile of non-derivative financial assets and financial liabilities:

(₹ in million)

Particulars	**As at 31.03.2018**				
	USD	EURO	GBP	JPY	Others
Financial assets					
Cash and cash equivalents	537.8	-	-	30.4	60.2
Trade Receivables	42839.8	919.3	242.7	27.7	918.9
Other current financial assets	248.6	3.5	0.7	24.1	1.4
	43626.2	922.8	243.4	82.2	980.5
Financial liabilities					
Trade Payables	4970.3	382.2	99.6	74.8	73.1
Current Borrowings	-	-	-	-	-
Other current financial liabilities	3931.4	37.3	7.3	-	38.4
	8901.7	419.5	106.9	74.8	111.5
Net statement of financial position exposure	**34724.5**	**503.3**	**136.5**	**7.4**	**869.0**

(₹ in million)

Particulars	As at 31.03.2017				
	USD	EURO	GBP	JPY	Others
Financial assets					
Cash and cash equivalents	1322.4	-	-	108.4	31.9
Trade Receivables	33354.9	825.9	300.8	84.0	720.6
Other current financial assets	295.3	7.7	2.4	38.5	1.4
	34972.6	833.6	303.2	230.9	753.9
Financial liabilities					
Trade Payables	4103.4	253.2	94.2	88.6	1645.0
Current Borrowings	4280.2	-	-	-	-
Other current financial liabilities	16.8	10.9	0.6	-	2.3
	8400.4	264.1	94.8	88.6	1647.3
Net statement of financial position exposure	**26572.2**	**569.5**	**208.4**	**142.3**	**(893.4)**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in million)

March 31, 2018	Profit or (loss)		Equity, net of tax	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(347.2)	347.2	(62.6)	62.6
EUR	(5.0)	5.0	-	-
GBP	(1.4)	1.4	-	-
JPY	(0.1)	0.1	-	-
Others	(8.7)	8.7	-	-
	(362.4)	**362.4**	**(62.6)**	**62.6**

(₹ in million)

March 31, 2017	Profit or (loss)		Equity, net of tax	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	(265.7)	265.7	(62.3)	62.3
EUR	(5.7)	5.7	-	-
GBP	(2.1)	2.1	-	-
JPY	(1.4)	1.4	-	-
Others	8.9	(8.9)	-	-
	(266.0)	**266.0**	**(62.3)**	**62.3**

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings and finance lease obligations. The interest rate profile of the Company's interest-bearing borrowings is as follows:

(₹ in million)

Particulars	**As at 31.03.2018**	As at 31.03.2017
Non-Current Borrowings		
Fixed rate borrowings	88.9	138.6
Variable rate borrowings	-	-
	88.9	138.6
Current Borrowings		
Fixed rate borrowings	-	-
Variable rate borrowings	82.1	5796.2
	82.1	5796.2
Total	**171.0**	**5934.8**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in million)

Particulars	Profit or (loss)	
	100 bp increase	100 bp decrease
Cash flow sensitivity (net)		
March 31, 2018		
Variable-rate borrowings	(0.8)	0.8
March 31, 2017		
Variable-rate borrowings	(58.0)	58.0

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Commodity rate risk

The Company's operating activities involve purchase and sale of Active Pharmaceutical Ingredients (API), whose prices are exposed to the risk of fluctuation over short periods of time. Commodity price risk exposure is evaluated and managed through procurment and other related operating policies. As of March 31, 2018 and March 31, 2017 the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

51. CAPITAL MANAGEMENT:

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents, other bank balances and current investments.

The Company's policy is to keep the ratio below 1.5. The Company's adjusted net debt to total equity ratio at March 31, 2018 was as follows:

(₹ in million)

Particulars	**As at 31.03.2018**	As at 31.03.2017
Total borrowings	171.0	5934.8
Less : Cash and cash equivalent	1056.7	1580.1
Less : Other Bank Balances*	55.7	160.7
Less : Current Investments	2325.9	21120.0
Adjusted net debt	(3267.3)	(16926.0)
Total equity	157849.6	147802.4
Adjusted net debt to total equity ratio	(0.02)	(0.11)

* includes earmarked bank deposits against guarantees & other commitments of ₹ 2.8 million (previous year ₹ 12.4 million) classified as Other Non-Current Financial Assets.

52. HEDGE ACCOUNTING:

The Company's risk management policy is to hedge above 15% of its estimated net foreign currency exposure in respect of highly probable forecast sales over the following 12-18 months at any point in time. The Company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The forward exchange forward contracts are denominated in the same currency as the highly probable forecast sales, therefore the hedge ratio is 1:1. Most of these contracts have a maturity of 12-18 months from the reporting date. The Company's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, changes in timing of the hedged transactions is the main source of hedge ineffectiveness.

a. Disclosure of effects of hedge accounting on financial position:

(₹ in million)

As at 31.03.2018

Type of hedge and risks	Nominal Value (in USD mn)	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognizing hedge effectiveness
		Assets	Liabilities						
Cash flow hedge									
Forward exchange forward contracts	86.0	85.8	-	Other current financial assets	April 2018 – August 2019	1:1	67.82	90.2	(90.6)
	10.0	0.4	-	Other non-current financial assets					

(₹ in million)

As at 31.03.2017

Type of hedge and risks	Nominal Value (in USD mn)	Carrying amount of hedging instrument		Line item in the statement of financial position where the hedging instrument is included	Maturity date	Hedge ratio	Weighted Average strike price/rate	Changes in fair value of the hedging instrument	Change in the value of hedged item used as the basis for recognizing hedge effectiveness
		Assets	Liabilities						
Cash flow hedge									
Forward exchange forward contracts	96.0	551.0	-	Other current financial assets	April 2017 - March 2018	1:1	72.55	580.8	(578.8)

b. Disclosure of effects of hedge accounting on financial performance:

(₹ in million)

As at 31.03.2018	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or (loss)	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or (loss)	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	369.1	1.4	Other Expenses - Net loss on Foreign Currency Transactions	833.9	Revenue from operations - Sale of goods

(₹ in million)

As at 31.03.2017	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or (loss)	Line item in the statement of profit or loss that includes the hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or (loss)	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge	891.2	1.1	Other Expenses - Net loss on Foreign Currency Transactions	615.9	Revenue from operations - Sale of goods

c. The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

(₹ in million)

Movements in cash flow hedging reserve	
Balance at 1 April 2016	**187.9**
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	891.2
Less : Amounts re-classified to profit or loss	(617.0)
Less : Deferred tax	(83.0)
As at March 31, 2017	**379.1**
Add : Changes in the fair value of effective portion of outstanding cash flow derivative (net of settlement)	369.1
Less : Amounts re-classified to profit or loss	(832.4)
Less : Deferred tax	144.8
As at March 31, 2018	**60.6**

53. OFF-SETTING OR SIMILAR AGREEMENTS:

The recognised financial instruments that are offset in balance sheet as at March 31, 2018:

(₹ in million)

As at 31.03.2018	Effects of offsetting on the balance sheet			Amounts subject to master netting	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Net amount
Financial assets					
Derivative instruments	86.2	-	86.2	-	86.2
Trade and other receivables	-	-	-	-	-
Financial liabilities					
Derivative instruments	-	-	-	-	-
Trade and other payables	-	-	-	-	-

The recognised financial instruments that are offset in balance sheet as at March 31, 2017:

(₹ in million)

As at 31.03.2017	Effects of offsetting on the balance sheet			Amounts subject to master netting	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Related amounts not offset	Net amount
Financial assets					
Derivative instruments	551.0	-	551.0	-	551.0
Trade andother receivables	1.0	(0.4)	0.6	-	-
Financial liabilities					
Derivative instruments	(266.0*)	-	(266.0)	-	(266.0)
Trade and other payables	(0.4)	0.4	-	-	-

Offsetting arrangements

(i) Trade receivables and payables
The Company has certain customers which are also supplying materials. Under the terms of agreement, the amounts payable by the Company are offset against receivables and only net amounts are settled.

(ii) Derivatives
The Company enters into derivative contracts for hedging future sales. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all the transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other.

* During the previous year, the Company had entered into foreign currency forward contracts (buy) for purposes other than hedging.

54. RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW:

A. Relationships –

Category I: Entity having significant influence over the company:

Lupin Investments Pvt. Limited (w.e.f. July 28, 2017)

Category II: Subsidiaries:

Lupin Pharmaceuticals, Inc., USA
Kyowa Pharmaceutical Industry Co., Limited, Japan
Lupin Australia Pty Limited, Australia
Lupin Holdings B.V., Netherlands
Pharma Dynamics (Proprietary) Limited, South Africa
Hormosan Pharma GmbH, Germany
Multicare Pharmaceuticals Philippines Inc., Philippines
Lupin Atlantis Holdings SA, Switzerland
Lupin Healthcare (UK) Limited, UK [formerly Lupin (Europe) Limited]
Lupin Pharma Canada Limited, Canada
Lupin Mexico S.A. de C.V., Mexico
Generic Health Pty Limited, Australia
Bellwether Pharma Pty Limited, Australia
Lupin Philippines Inc., Philippines
Lupin Healthcare Limited, India
Generic Health SDN. BHD., Malaysia
Kyowa CritiCare Co., Limited, Japan
Lupin Middle East FZ-LLC, UAE
Lupin GmbH, Switzerland
Lupin Inc., USA
Medquimica Industria Farmaceutica LTDA, Brazil
Nanomi B.V., Netherlands
Laboratorios Grin S.A. de C.V., Mexico
Lupin Pharma LLC, Russia
VGS Holdings, Inc., USA (upto February 24, 2017)
Novel Laboratories, Inc., USA
Novel Clinical Research (India) Private Limited, India (upto March 27, 2018)
Gavis Pharmaceuticals, LLC., USA
Edison Therapeutics, LLC, USA (upto February 24, 2017)
Lupin Research Inc., USA
Lupin Ukraine LLC, Ukraine (w.e.f. July 6, 2016)
Lupin Latam, Inc., USA (w.e.f. December 15, 2016)
Lupin Japan & Asia Pacific K.K., Japan (w.e.f. March 13, 2017)
Saker Merger Sub LLC, USA (from April 7, 2017 and upto October 10, 2017)
Symbiomix Therapeutics LLC, USA (w.e.f. October 10, 2017)
Lupin IP Ventures Inc., USA (w.e.f. October 10, 2017)
Lupin Europe GmbH, Germany (w.e.f. February 5, 2018)

Category III: Jointly Controlled Entity:

YL Biologics Ltd., Japan

Category IV: Key Management Personnel (KMP)

Dr.	D. B. Gupta (upto June 26, 2017)	Chairman
Mrs.	Manju D. Gupta (w.e.f. August 11, 2017)	Chairman
Dr.	Kamal K. Sharma	Vice Chairman
Ms.	Vinita Gupta	Chief Executive Officer
Mr.	Nilesh Deshbandhu Gupta	Managing Director
Mrs.	Manju D. Gupta (upto August 10, 2017)	Executive Director
Mr.	Ramesh Swaminathan	Chief Financial Officer & Executive Director
Mr.	R.V. Satam	Company Secretary

Non-Executive Directors

Dr. Vijay Kelkar
Mr. R. A. Shah
Mr. Richard Zahn
Dr. K. U. Mada
Mr. Dileep C. Choksi
Mr. Jean-Luc Belingard

Category V: Others (Relatives of KMP and Entities in which the KMP and Relatives of KMP have control or significant influence)

Mrs. Kavita Gupta (Daughter of Chairman)
Dr. Anuja Gupta (Daughter of Chairman)
Dr. Richa Gupta (Daughter of Chairman)
Mrs. Pushpa Khandelwal (Sister of Chairman) (upto June 26, 2017)
Mrs. Shefali Nath Gupta (Wife of Managing Director)
Ms. Veda Nilesh Gupta (Daughter of Managing Director)
BS Merc Private Limited (upto July 28, 2017)
D. B. Gupta (HUF)
Lupin Human Welfare and Research Foundation
Lupin Foundation
Lupin International Pvt. Limited (upto September 21, 2016)
Lupin Investments Pvt. Limited (upto July 27, 2017)
Lupin Holdings Pvt. Limited (upto July 28, 2017)
Matashree Gomati Devi Jana Seva Nidhi
Polynova Industries Limited
Rahas Investments Pvt. Limited (upto July 28, 2017)
Synchem Investments Pvt. Limited (upto September 21, 2016)
Visiomed Investments Pvt. Limited (upto July 28, 2017)
Zyma Laboratories Limited (upto July 28, 2017)
Zyma Properties Pvt. Limited (formerly known as Visiomed Properties Pvt. Limited)
Concept Pharmaceuticals Limited (upto June 26, 2017)
Shuban Prints
TeamLease Services Limited

B. Transactions with the related parties:

Sr. No.	Transactions	**For the year ended 31.03.2018 ₹ in million**	For the year ended 31.03.2017 ₹ in million
1.	Sale of Goods		
	Lupin Pharmaceuticals, Inc.	35236.4	64443.3
	Other Subsidiaries	3675.0	3188.2
2.	Sale – Research Services-IP		
	Subsidiaries	28.8	-
3.	Sale – Research Services-Others		
	Contract R & D Services		
	Subsidiaries	838.2	700.1
4.	Sale of Property, plant and equipment		
	Subsidiaries	-	0.1
5.	Guarantee Fees Income		
	Subsidiaries	240.5	139.3
6.	Services Rendered (Income)		
	Subsidiaries	1.0	3.4
7.	Rent Expenses		
	Subsidiaries	2.1	4.4
	Others	70.5	77.8
8.	Research and Development Expenses		
	Lupin Inc.	-	1438.1
	Lupin Research Inc.	2065.3	-
	Other Subsidiary	36.7	-
9.	Expenses Recovered/Rent Received		
	Subsidiaries	341.3	347.5
	Jointly Controlled Entity	0.9	6.5
	Others	3.2	2.8
10.	Remuneration Paid		
	Key Management Personnel	494.0	814.1
11.	Purchases of Goods/Materials		
	Subsidiaries	9.7	0.1
	Others	63.4	164.2
12.	Investments during the year		
	Lupin Atlantis Holdings SA	3283.5	10610.4
	Other Subsidiaries	-	0.1
13.	Commission & Sitting Fees to Non-Executive Directors		
	Key Management Personnel	29.7	27.1
14.	Donations Paid		
	Others	213.1	203.4
15.	Dividend Paid		
	Lupin Investments Pvt. Limited	1530.2	-
	Key Management Personnel	42.8	44.2
	Others	12.2	1543.9
16.	Services Received (Expense)		
	Lupin Pharmaceuticals, Inc.	569.1	1263.3
	Other Subsidiaries	961.3	986.8
	Others	50.9	46.4

Sr. No.	Transactions	**For the year ended 31.03.2018 ₹ in million**	For the year ended 31.03.2017 ₹ in million
17.	Expenses Reimbursed		
	Subsidiaries	813.0	801.0
	Others	2.9	11.5
18.	Dividend Income		
	Subsidiaries	14.5	30.5
19.	Purchase of Property, plant and equipment		
	Subsidiaries	-	41.5
20.	Purchase of Intangible Asset		
	Lupin Atlantis Holdings SA	6199.4	-
21.	Withdrawal of Letter of comfort issued by the Company towards the credit facilities sanctioned by the bankers of a subsidiary.		
	Subsidiaries	129.1	-
22.	Corporate guarantees issued by the Company to the bankers of subsidiary companies		
	Kyowa Pharmaceutical Industry Co., Limited	9472.5	13282.6
	Lupin Atlantis Holdings SA and Lupin Inc.	325.9	-
	Other Subsidiaries	1323.0	500.4
23.	Withdrawal of corporate guarantees given by the Company to the bankers of subsidiary companies		
	Lupin Atlantis Holdings SA and Lupin Inc.	-	61285.9
	Lupin Pharmaceuticals, Inc.	-	6956.8
	Kyowa Pharmaceutical Industry Co., Limited	8932.0	-
	Other Subsidiaries	485.0	698.0

Related party transactions above 1% of revenue from operations are disclosed separately.

Compensation paid to Key Management Personnel	**For the year ended 31.03.2018 ₹ in million**	For the year ended 31.03.2017 ₹ in million
Short-term employee benefits	346.0	717.8
Post-employment benefits	107.4	40.1
Share based payments	40.6	56.2
Total	**494.0**	**814.1**

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (previous year ₹ nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

C. Balances due from/to the related parties:

Sr. No.	Balances	As at 31.03.2018 ₹ in million	As at 31.03.2017 ₹ in million
1.	Investments		
	Subsidiaries	51247.3	47963.9
2.	Deposits paid under Leave and License arrangement for premises		
	Others	43.4	43.4
3.	Trade Receivables		
	Subsidiaries	41182.5	31533.9
4.	Trade Payables		
	Subsidiaries	1960.6	1381.5
	Others	11.9	4.6
5.	Commission Payable		
	Key Management Personnel	45.5	428.6
6.	Expenses Payable		
	Subsidiaries	140.2	561.6
7.	Expenses Receivable		
	Subsidiaries	142.3	248.7
	Jointly Controlled Entity	0.9	6.5
	Others	0.2	-
8.	Advance from Customer		
	Subsidiaries	-	17.8
9.	Income Receivable		
	Subsidiaries	135.1	90.1
10.	Advance to vendors		
	Others	4.2	-
11.	Payable for Purchase of Property plant and equipment/Intangible asset		
	Subsidiary	3969.7	100.6
12.	Deposits received under Leave and License arrangement for premises		
	Others	0.1	0.1
13.	Letter of Comfort issued by the Company to the bankers of subsidiary companies	-	129.1
14.	Corporate guarantees issued by the Company to the bankers of subsidiary companies	71808.2	69522.8
15.	Financial guarantees issued by the Company on behalf of subsidiary companies for contractual obligations	8081.7	-

Transactions and balances with Jointly Controlled Entity have been reported at full value.

55. Excise duty (Refer note 34) includes ₹ 165.8 million (previous year ₹ 49.0 million) credit being net impact of the excise duty provision on opening and closing stock.

56. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July 2017, Central Excise has been subsumed into GST. In accordance with Ind AS 18 and Schedule III to the Companies Act, 2013, levies like GST, VAT etc. are not part of revenue, unlike Excise Duty, which was presented as part of revenue. Accordingly, the figures for the year ended 31 March 2018 are not comparable with the previous year, to that extent. The following additional information is being provided to facilitate such understanding:

Particulars	**2017-2018 ₹ in million**	2016-2017 ₹ in million
Revenue from Operations – Sale of Goods & Research Services	98539.0	123980.8
Excise duty on sale	(276.2)	(1086.7)
Revenue from Operations excluding excise duty on sale	98262.8	122894.1

57. ASSETS CLASSIFIED AS HELD FOR SALE:

During the year, the Company has entered into a Memorandum of Understanding (MOU) to sell a parcel of land along with the related manufacturing facility (collectively referred to as "Facility") in Ankleshwar, Gujarat for a consideration in excess of the carrying value of the Facility. The Company is in the process of seeking necessary regulatory approvals and the sale is expected to be completed by June 30, 2018. Upon completion of the terms, the Facility shall be transferred to the buyer. Accordingly, the Facility has been presented as non-current assets held for sale (refer note 2). There was no indicator/trigger to assess for its impairment.

The value associated to the Facility as of March 31, 2018 is as follows:

(₹ in million)

Particulars	**Carrying value**
Land	41.6
Buildings	32.5
Plant and Equipment	11.9
Total non-current asset held for sale	**86.0**

58. In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows'. These amendments are in accordance with the amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows'. The below disclosure is in line with such amendments suggested:

(₹ in million)

Particulars	April 1, 2017	Cash Flows	Non-Cash Changes			**March 31, 2018**
			Acquisition	Foreign Exchange Movement	Fair Value Changes	
Non-Current Borrowings						
Unsecured						
Deferred Sales Tax Loan from Government of Maharashtra	16.7	(6.8)	-	-	-	9.9
Term Loans from Council for Scientific and Industrial Research (CSIR)	61.9	(31.0)	-	-	-	30.9
Term Loans from Department of Science and Technology (DST)	10.4	(10.4)	-	-	-	-
Current maturities of Non-Current Borrowings	49.7	(1.6)	-	-	-	48.1
Current Borrowings						
Secured						
Loans from banks	970.0	(887.9)	-	-	-	82.1
Unsecured						
Loans from Banks	4826.2	(4826.2)	-	-	-	-
Interest accrued but not due on Borrowings	1.0	(0.6)	-	-	-	0.4
Total Liabilities from financing activities	**5935.9**	**(5764.5)**	**-**	**-**	**-**	**171.4**

59. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable loss. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standard for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

60. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Signature to note 1 to 60

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W - 100022

Venkataramanan Vishwanath
Partner
Membership No. 113156

For and on behalf of **Board of Directors of Lupin Limited**

Manju D. Gupta
Chairman
DIN: 00209461

Dr. Kamal K. Sharma
Vice Chairman
DIN: 00209430

Vinita Gupta
Chief Executive Officer
DIN: 00058631

Nilesh Deshbandhu Gupta
Managing Director
DIN: 01734642

Ramesh Swaminathan
Chief Financial Officer
& Executive Director
DIN: 01833346

Dr. Vijay Kelkar
Director
DIN: 00011991

R. A. Shah
Director
DIN: 00009851

Richard Zahn
Director
DIN: 02937226

Dr. K. U. Mada
Director
DIN: 00011395

Dileep C. Choksi
Director
DIN: 00016322

Jean-Luc Belingard
Director
DIN: 07325356

R.V. Satam
Company Secretary
ACS - 11973

Place : Mumbai
Dated : May 15, 2018