SOLARA
Active Pharma Sciences

Communication Address :
Solara Active Pharma Sciences Limited
Batra Centre
No. 28, Sardar Patel Road, Post Box 2630
Guindy, Chennai - 600 032, India
Tel : +91 44 43446700, 22207500
Fax : +91 44 22350278

July 19, 2019

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

Scrip Code: 541540

The National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (E), Mumbai – 400 051

Scrip Code: SOLARA

Dear Sir / Madam,

Sub: Annual Report for the year 2018-19

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the copy of Annual Report of the company for the year 2018-19

We request you to take the above submission on record.

Thanking you,

Yours faithfully,
For Solara Active Pharma Sciences Limited

S. Murali Krishna
Company Secretary

SOLARA ACTIVE PHARMA SCIENCES LIMITED

Encl:- as above

SOLARA
Active Pharma Sciences

GROWTH
THROUGH
EFFICIENCY

Annual Report
2018-19

CONTENTS

Solara is poised to leave a mark and carve out its own niche as a pure-play API company. Our activities in FY 2018-19 were mainly centred around strengthening our portfolio, integrating business from Strides and Sequent and sharpening our manufacturing capabilities. Our larger objective is to achieve efficiencies from economies of scale, margin benefit and security of supply.

REVENUE
(₹ in million)
13,991
↑ 35%

EBITDA
(₹ in million)
2,316
↑ 59%

EBITDA MARGIN
(%)
17
↑ 250 bps

R&D INVESTMENTS
(₹ in million)
448
↑ 335%

TOTAL ASSETS
(₹ in million)
19,600
↑ 8%

↑ y-o-y growth in FY 2018-19

Note

1. FY 2017-18 financial numbers are based on unaudited proforma financial statements. The unaudited proforma financial numbers have been arrived at by consolidating the audited financial information of the Company for the period from February 23, 2017 to March 31, 2018 with the financial information of the commodity API business of Strides and the human API business of Sequent, extracted from the reviewed books of account of Strides and Sequent for the quarter ended June 30, 2017 and September 30, 2017.
2. FY 2018-19 financial numbers are based on audited consolidated financial statements.
3. The above financial numbers are for continuing business

We are a pure-play Active Pharma Ingredients (API) company committed to addressing the changing needs of our customers and creating value for our stakeholders. Efficiency, innovation and compliance are integral to our growth strategy. With absolute clarity about the role we seek to play in the pharmaceutical sector, we are moving ahead with focused strategy and disciplined execution.

Our ability to assess and identify opportunities to accelerate growth and facilitate expansion allows us to tailor our portfolio to the targeted markets based on adequacy and relevance. Financial prudence and robust organic revenue generation potential, coupled with efficiency improvement initiatives aimed at retaining the cost competitiveness of our manufacturing base, will ensure sustainable growth.

We maintain fully compliant procurement and supply chain systems while developing and protecting intellectual properties. Our manufacturing quality standards are stringently monitored to ensure that the standards adhere to the global benchmarks. We are combining commercial wisdom with an innate respect for integrity in all aspects of operations.

At Solara Active Pharma Sciences Limited (Solara), we are investing in capability, technology and capacity to improve efficiency, maximise synergy benefits and strengthen our position to capitalise on the significant growth potential of API manufacturing and contract services globally.

About Solara

Solara is a research-centric and customer-driven Active Pharmaceutical Ingredients (API) manufacturer, with market footprints across 75+ countries. The Company was formed by combining the demerged API business of Strides Pharma Science Limited (formerly known as Strides Shasun Limited) (Strides) and the human API business of Sequent Scientific Limited (Sequent) into a separate entity. Solara's equity shares were subsequently listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) on June 27, 2018.

VALUES

VISION

WE STRIVE TO BE AMONGST THE TOP 10 PURE-PLAY GLOBAL API COMPANY, BUILDING SIGNIFICANT VALUE FOR OUR PARTNERS, STAKEHOLDERS AND SHAREHOLDERS, AND COMMITTING TO PROTECT HUMAN LIFE AND THE ENVIRONMENT.

MISSION

TO BE A CUSTOMER-CENTRIC ORGANISATION DELIVERING APIs OF HIGH QUALITY.

Respect

We treat each other and our partners with respect. We value and respect each other's time. We will always respect our competition.

Integrity

In the ever-changing business environment, the one thing that will always be constant is our integrity. We will be amongst the most compliant API companies in the world.

Transparency

Through timely communications, we endeavour to keep our stakeholders, suppliers and customers aware and well-informed on how we conduct our business.

Efficiency

We will achieve the highest level of efficiency through a focused approach to customer centricity and continuous improvement. We will always strive to ensure that our employees are empowered to deliver the best customer service in the industry.

CORPORATE PROFILE CONTD.

140+ **DRUG MASTER FILES (DMFS)**	140+ **SCIENTISTS**	5 **GLOBALLY APPROVED MANUFACTURING SITES**
2 **STATE-OF-THE-ART RESEARCH CENTRES TO DEVELOP COMPLEX PRODUCTS**	1,600+ kl **CAPACITY WITH COMPREHENSIVE CHEMISTRY CAPABILITIES**	75+ countries **GLOBAL PRESENCE**

Business overview

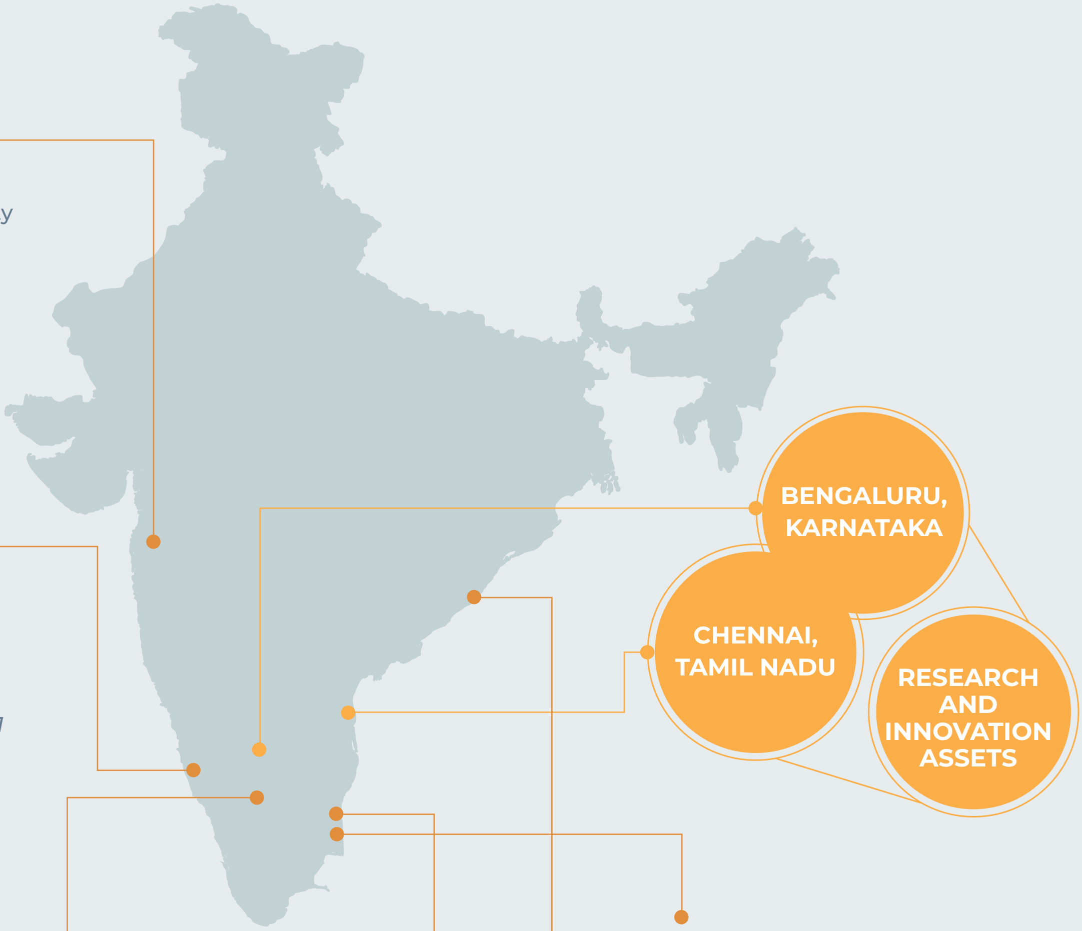
APIs

Solara manufactures and develops APIs across niche therapeutic categories with proven capabilities in complex products such as APIs based on polymers and APIs for injectables.

CRAMS

We also provide Contract Research and Manufacturing Services (CRAMS) for APIs, including analytical services, impurity synthesis and profiling to our customers. Our capabilities also extend to contract development on a full-time equivalent basis for lead analogues, building blocks, reference studies and custom synthesis for pilot campaigns and clinical supply.

Manufacturing facilities and compliance



AMBERNATH MAHARASHTRA
A multi-purpose API facility

USFDA and EU inspected and cGMP compliant

MANGALORE, KARNATAKA
Niche APIs, large volume APIs and advanced drug intermediates

TGA, USFDA, EU, ISO 14001 and WHO PQ compliant

MYSORE, KARNATAKA
Key intermediate manufacturing site

cGMP compliant

CUDDALORE, TAMIL NADU
A multiple, large volume API facility

USFDA, PMDA, EU and cGMP compliant

VISAKHAPATNAM, ANDHRA PRADESH

An upcoming multi-product, multi-purpose greenfield site

PUDUCHERRY
One of the world's largest Ibuprofen manufacturing facilities

USFDA, PMDA, EU and cGMP compliant

Seamless value-creation framework

We leverage our core strengths to effectively implement our strategy and carry out business activities, thereby driving value.

Capabilities

Complex chemistry capabilities including handling of catalytic hydrogenation, hydride reductions, organometallic reactions, hazardous reactions and so on

Infrastructure

5 large-scale, globally compliant API and diversified facilities, with 1,600+ kl capacity

Robust product base

Growth in base business by way of market expansion and new customers

Continuous operational excellence

Key products to insulate margins from pricing pressure

Research pipeline

Strong pipeline of 20+ products under different stages of development

Market reach

Wide presence in 75+ countries and 140+ DMFs filed world over, with majority of sales originating in regulated markets

Compliance

Commitment to highest levels of compliance, both in EHS and quality, with zero 483s in two out of last three USFDA audits (including successful audits from other regulatory agencies)

MANUFACTURING AND SUPPLY CHAIN

Capitalise on our own significant manufacturing capability to focus on reliable supply of high-quality products, optimise operational costs and maximise backward integration synergies in key intermediates.

INNOVATION AND DEVELOPMENT

Range of key applications

- Anthelmintic
- Beta blockers
- Muscle relaxants
- Hyperkalemia
- Neuromuscular
- Anti-Parkinson
- Anti-diabetic

Our objectives are to innovate, develop, manufacture and supply high-quality APIs worldwide. We seek niche product segments that are comparatively less crowded to maximise value from each of the geographies we are present in. We consciously favour value over volumes, thereby limiting pricing pressure in the long term and creating capacities based on assured demand.

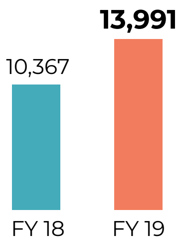
COMMERCIALISATION

Generate organic revenue and profit growth through focused promotion of our products by our extensive sales representation worldwide.

We are firmly on track to become a leading pure-play API company, with highly compliant business operations and customer advocacy at the core.

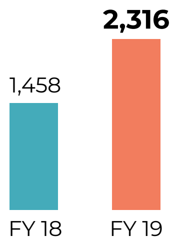
Ramping up our performance

REVENUE
(₹ in million)



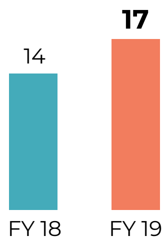
↑35%

EBITDA
(₹ in million)



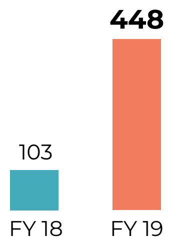
↑59%

EBITDA MARGIN
(%)



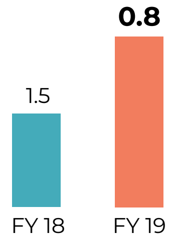
↑250bps

R&D INVESTMENTS
(₹ in million)

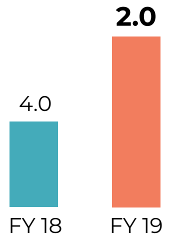


↑335%

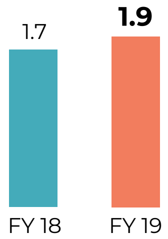
NET DEBT/ EQUITY
(X)



NET DEBT/ EBITDA
(X)



FIXED ASSET TURNOVER
(X)



↑ Growth over FY 2017-18

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MEGATRENDS

Attractive opportunities. Agile response.

The global API market is highly fragmented; it is growing at par with the pharmaceutical industry and in line with the industry trends. As the world population continues to age and the prevalence of ‘lifestyle’ diseases continues to rise, treatments for serious ailments will continue to be in high demand. This rising burden of chronic ailments worldwide is likely to catalyse the expansion of the API market.

By geography, the Americas have the largest share in the global API marketplace, while APIs in developed regions, such as Asia Pacific, are entering the maturity phase.

Innovation and specialisation are emerging as key differentiators. There is an increasing interest in intricate formulations in generics. Among the patient population, those with chronic diseases and the elderly require treatments in oncology, immunotherapies and respiratory tracts, which are critical conditions that demand treatments using complex molecules.

Increased regulatory scrutiny on raw materials and environmental performance are making quality a top priority. Off-patent or soon-to-be off-patent small molecule drugs are gaining attention.

Solara continues to respond strategically to industry trends

BUSINESS CONTINUITY

A steadily expanding portfolio of new products and new customers to access new markets for existing products and enable stable growth

WORLDWIDE PRESENCE

An entrenched footprint in key regulated markets as well as opportunity territories

CUSTOMER ADVOCACY

A unilateral focus on customer delight

COST RATIONALISATION

A range of proactive cost improvement programmes to stay competitive, expand margins and streamline efforts into contract service development

CAPACITY BUILDING

A new greenfield site for capacity expansion with continued investments to drive quality and compliance to the next level

RESEARCH DRIVE

A sustained thrust on innovation to reinforce entry barriers to competition and build strong intrinsic value into market-specific launches

LETTER TO SHAREHOLDERS

Progressing with precision

Jitesh Devendra
Managing Director and Chief Executive Officer

Dear Shareholders,

I am pleased to share with you the encouraging progress we made during the first full year of our operations driven by our strong relationships with customers and our focus on innovation in a competitive yet significantly attractive API market.

The infusion of growth capital by promoter group and the US-based private equity giant TPG was a clear endorsement of our growth strategy, which will go a long way in achieving our objective of catapulting Solara among the global top 10 API manufacturers.

COMPETITIVE OPPORTUNITY LANDSCAPE

We believe that increased scrutiny in the supply chain to manufacture API, compliance related to Quality and Environment and overall growth in healthcare spending have presented an opportunity for Solara to be a global API player. Solara's one quality policy across all sites, track records with the Regulators and continued focus and investments on environmental compliance ensures that we seize opportunity from our customers.

With the consolidation of major companies who operate in the area of Contract Research and Manufacturing Services (CRAMS), there is opportunity for new companies to evolve in this space. We have initiated our efforts in this area which will drive growth in future. Being a pure play API Company with non-conflicts and protecting the Intellectual Property (IP) rights of our customers has been well received by our customers worldwide. By addressing the concerns around the IP, we also offer our customers the security of supply.

Our activities in FY 2018-19 were mainly centred on strengthening our portfolio, acquiring the residual business from Strides and Sequent, and sharpening our manufacturing capabilities. Our larger objective is to introduce new APIs every year by engaging on our existing relationship with Big Pharma and leading generic customers, expand market access of our existing APIs and achieve efficiencies from economies of scale. We remain focused on leveraging our team's expertise through continuous improvement programmes while ensuring revenue growth, margin protection and expansion, and supply security for our customers.

Solara is well positioned to be amongst the top 10 pure-play API company globally.

SUSTAINED PERFORMANCE

Total income from operations grew 35% from ₹ 10,367 million in FY 2017-18 to ₹ 13,991 million in FY 2018-19, driven by a higher offtake in the base business and a steady stream of new product launches. Operating EBITDA increased 84% year-on year, albeit from a low base, to ₹ 2,862 million in FY 2018-19, owing to price increase, higher capacity utilisation and cost optimisation.

We witnessed broad improvements across key financial ratios. Our net debt decreased from ₹ 5,858 million in FY 2017-18 to ₹ 4,616 million in FY 2018- 19. Consequently, net debt-EBITDA now trails below 2x, as against 4x at the end of FY 2017-18. ROCE grew from 8.4% in FY 2017-18 to 14% in FY 2018-19, which points to our efficient use of capital in generating higher returns for stakeholders.

We are well positioned to sustain this growth momentum, pursuing value-enhancing opportunities, amid growing healthcare industry pressures.

INNOVATION FOCUS

We put equal emphasis on our research and development initiatives, which will be a key driver for the Company going forward. Our R&D spend quadrupled, from ₹ 103 million in FY 2017-18 to ₹ 448 million in FY 2018-19, substantiating our enhanced focus on superior levels of product innovation and process efficiencies.

The Continuous Improvement Programme, which we initiated during the year under review, contributed to our EBITDA expansion to a certain extent. We broadened the access of 15 of our existing products to eight new markets (China, Russia, Philippines, Malaysia, Ukraine, South Africa and others). While we had four new launches, we filed nine new Drug Master Files (DMFs) to accelerate future growth.

Our top 10 customers accounted for 52% of revenues, new products accounted for 6% and top 10 products accounted for 78%. Regulated markets grew 54% in size, from ₹ 3,746 million in the second half of FY 2017-18 to ₹ 5,761 million in FY 2018-19, largely driven by the US, which now accounts for 37% of revenue.

SHARED VALUE CREATION

With US$ 13.5 billion of assets under management, TPG Growth – the growth capital arm of US-based private equity giant TPG – infused US$ 30 million in the Company. This marks TPG Growth's foray in India's life sciences sector. We are thrilled to have Mr. Ankur Thadani from TPG Growth on our Board.

We completed the integration of Sequent's human API business as well as the Strides' Ambernath business. Our upcoming multi-product, multi-purpose greenfield site in Visakhapatnam will help grow our existing commercial products while the Ambernath facility will help nurture new product launches. Together, they will strengthen our execution capabilities further.

Our sustainable business strategy is underpinned by the belief that blending integrity with commercial wisdom will help us achieve positive outcomes for our stakeholders. Each of our facilities now follow a universal framework on systems, quality, environment and safety that we have built and improved upon. We underwent three USFDA inspections during the year, of which two inspections concluded with zero 483 observations, which reflects our continued focus on regulatory compliance. The Mangalore site was also inspected by the South Korean regulatory agency.

ENCOURAGING PROSPECTS

Healthcare is a sector with high growth potential on the back of an ageing population, rapid urbanisation, a higher prevalence of chronic diseases and an increase in healthcare investments, along with sustained policy focus on making healthcare more accessible. Several innovative business models are emerging, which will not only drive growth and expansion, but will also act as a catalyst for further compliance and consolidation.

Our Board, strong management team and people together constitute our biggest asset in our ambition of becoming one of the top 10 global pure-play API companies. I would like to express my heartfelt gratitude to everyone for reposing their trust in the Company as we script the first chapters of an exciting journey ahead for Solara Active Pharma Sciences.

With a clear roadmap for growth through efficiency, I am confident about our prospects as an innovation-led manufacturer, helping deliver long-term value to our stakeholders..

Warm regards,

Jitesh Devendra
Managing Director and
Chief Executive Officer

PRODUCT STRENGTH

Tailored to evolving customer needs

We are investing in developing a portfolio of products that cater to specific market, near-term opportunity where we see limited or scarcity of suppliers and where we have the opportunity to create intellectual property, thereby being the primary supplier to our customers. We also invest in areas of future growth that enhance value and support our CRAMS offerings.

Solara is one of the world's largest manufacturers of Ibuprofen, Praziquantel, Gabapentin, Nizatidine, Ranitidine and Sevelamer Carbonate. The Company's globally competitive production capabilities and economies of scale help mitigate pricing pressures. Its sizeable footprint within India and overseas provides the critical mass to support further consolidation in one of the most enduring and potentially rewarding segments of the pharmaceutical sector.

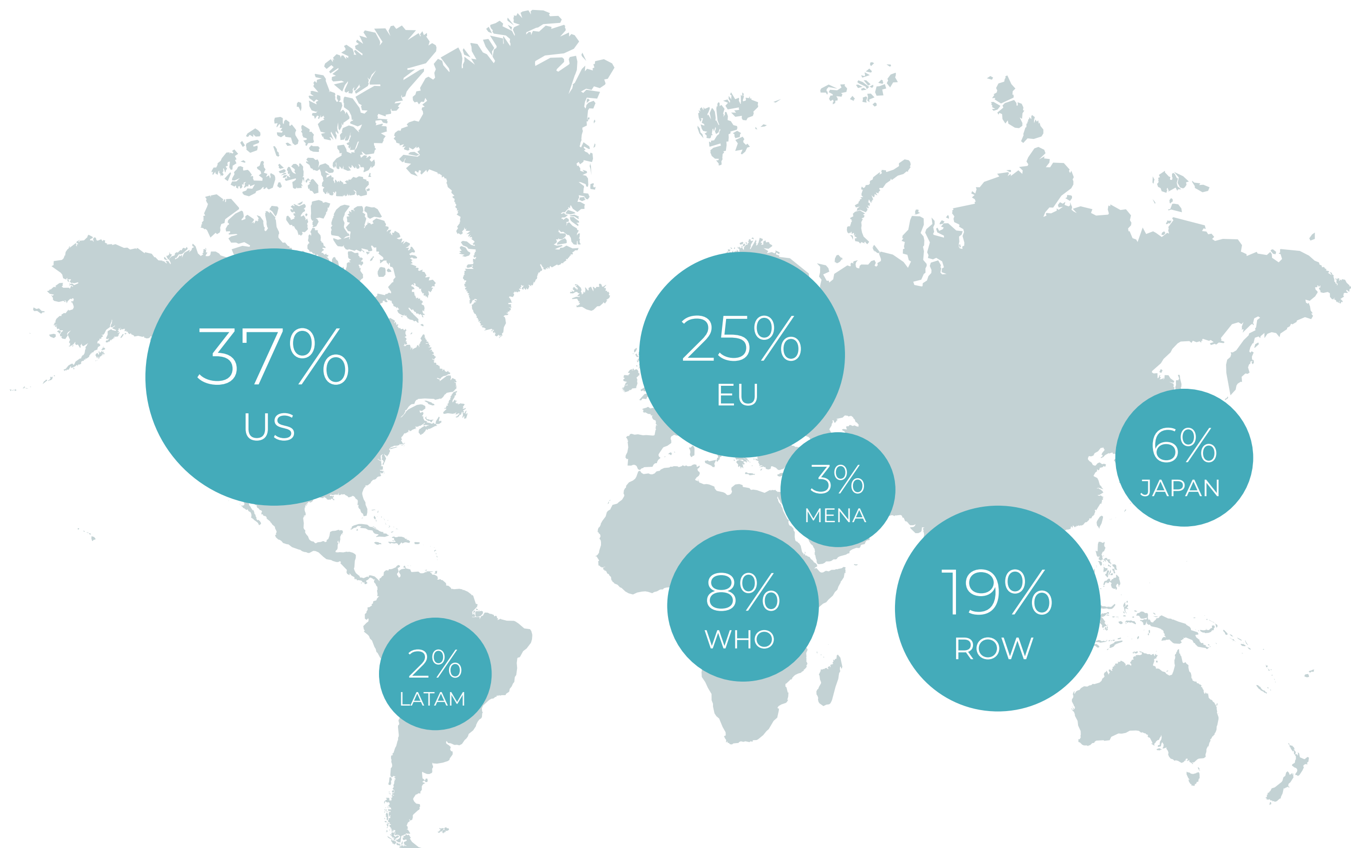
Our products leverage our intellectual and manufacturing assets to extend access to new geographies. We are implementing a more targeted approach to product development, one that is aligned with our future growth plans. Our product pipeline is carefully selected and tailored to each territory in which we operate and is aligned to our therapeutic focus areas. We have the R&D expertise to file 10 DMFs every financial year. We have filed 11 patents in FY 2018-19 for 11 new products.

We have a large customer base in the US, where we serve both generics and innovator companies and supply commercial APIs as well as have contracts for contract research and manufacturing. In our key markets (Europe, US and Japan), our partnerships with key generics players provide us a strong foundation to launch new products. Japan represents one of our growing markets. We have also made inroads into new territories such as China, Russia, Philippines, Malaysia, Ukraine and South Africa.

Highlights of FY 2018-19

- Contribution of regulated markets to the revenue mix grew 54% year-on-year, from the second half of FY 2017-18 to that of FY 2018-19
- Base business expanded 30%
- New products accounted for 6% of total revenue
- Top 10 customers accounted for 52% of revenues
- Top 10 products accounted for 78% of revenues
- 8 new markets accessed for 15 existing products
- 4 new products commercialised
- 9 new DMFs filed worldwide

Revenue split by geography



Growing through execution excellence

Operating a multi-site, multi-product and multi-territory footprint is key to delivering synergistic efficiencies and economies of scale.

We leverage our strong relationships with multiple stakeholders to capitalise on value-accretive opportunities, anticipate shifts in demand and create greater headroom. As the remaining assets from Strides and Sequent get integrated into our business, the existing facilities and the new sites will help us cement our position as a niche API manufacturer.

Ambernath

The Ambernath facility was acquired from Strides in September 2018. The site had been inspected by the USFDA in January 2019 with zero 483s. This facility will be a multipurpose site capable of catering to diverse volume requirements and will come on stream in FY 2020.

Visakhapatnam

Our upcoming greenfield site in Visakhapatnam aligns with our long-term priorities, reinforcing our supply chain strength. This facility will be a multipurpose plant dedicated towards handling different volumes, expanding our growth horizon further.

QUALITY AND COMPLIANCE

Strengthening commitment to compliance

We are advancing our safety, quality and compliance processes and practices, with the aim of moving from good to great performance.

Integral to our organisation's growth is working to comply with prevailing standards and protocols. Our license to operate encompasses stakeholder expectations that go beyond the letter of the law and regulations. We are deploying systems that are highly automated and stringent technology and production processes that represent a clear advantage vis-à-vis industry standards.

Our highly experienced teams manage the end-to-end global supply chain to achieve and augment efficiencies with an unmatched focus on quality and compliance. We are investing significantly in safety and compliance – adding high-calibre people to ensure that we deliver stronger governance of processes, as well as sustain revenue growth, margin expansion and cost synergies.

During the last year, we have worked tirelessly to ensure that high standards are upheld continually strengthened throughout the business. We are on a journey, which will continually change and evolve, and we have made substantial progress to date. We underwent three USFDA inspections and one inspection from the South Korean authority. Of the three USFDA inspections, two received zero 483 observations, which testifies to the rigour of our regulatory compliance framework.

EHS awards, FY 2018-19

- Received a four-star rating from the CII-SR EHS Excellence Awards 2018 for committing to EHS practices at the Cuddalore and Puducherry units
- Received IGBC Green Interior – Platinum Award for SRB from the Indian Green Building Council
- Received 'Certificate of Merit' from the National Safety Council, Maharashtra for achieving a zero-accident frequency rate at the Ambernath site

BOARD OF DIRECTORS

Deepak Vaidya
Chairman and Non-Executive Director

Mr. Deepak is a Fellow Member of the Institute of Chartered Accountants in England and Wales. He was the Country Head of Schroder Capital Partners (Asia) Pte. Ltd. for over 12 years. Mr. Deepak specialises in corporate financial services in India and abroad. He also serves on the board of several reputed companies.

Nirmal Bhogilal
Independent Director

Mr. Nirmal Bhogilal is the Chairman of the Batliboi Group. The Group's operations are in machine tools, textile machinery, air engineering and pollution control equipment, rotating machines, wind energy and logistics. He is former President and Committee Member of the Indian Machine Tool Manufacturers Association (IMTMA). He has chaired various committees of the Confederation of Indian Industry (CII) at the National and Western region level and is a member of the CII National Council. He is a Committee Member and former President of the Indo German Chamber of Commerce. He is also a Committee Member of the Forum of Free Enterprise and a Council Member of the National Centre for the Performing Arts (NCPA). He is an Independent Director of Chowgule Industries Pvt. Ltd. and Eimco Elecon (I) Ltd.

Ramakrishnan R.
Independent Director and Audit Committee Chairman

Mr. Ramakrishnan is a Fellow Member of The Institute of Chartered Accounts of India and also a Law Graduate from Bangalore University. He is a practising Chartered Accountant and a Management Consultant at Bangalore with 36 years of experience in Direct Tax matters, Audit and Assurances. He was nominated by KSIIDC for a few listed companies. He also serves on the board of several reputed companies. He is also a Managing Trustee for RRK Foundation, which financially supports more than 100 students of higher secondary schools belonging to economically weaker sections, and a Trustee for a few philanthropic organisations.

Dr. Kausalya Santhanam
Independent Director

Dr. Kausalya, Founder of SciVista IP and Communication and a patent attorney registered with the Indian Patent Office as well as the US Patent and Trademark Office. She has a PhD in Cell Biology and Immunology from the Post Graduate Institute of Medical Education and Research (PGIMER), Chandigarh. Her post-doctoral training was in Cancer Biology at the Centre for Cellular and Molecular Biology (CCMB), Hyderabad, where she published her studies in peer reviewed journals. Later she went as a National Research Council (NRC) Fellow to the Walter Reed Army Institute of Research, Washington DC, where her studies involved molecular mechanisms of inflammation. Following that, at the Albert Einstein College of Medicine, New York, she worked towards understanding the mechanisms of an apoptotic molecule. All her research works were published in reputed journals. She also worked for five years in the Intellectual Property Department of CuraGen Corporation, a bio-pharmaceutical company at Connecticut, USA.

Ronald Tjeerd de Vries
Independent Director

Mr. Ronald is an MSc in Chemical Engineering and an IMD executive Leadership Alumni. He has 25 years' experience of working with multinationals in Pharma and Food. At present, he is the Owner and MD of RDV Consulting based at Auckland (NZ).

Ankur Nand Thadani
Non-Executive Director

Mr. Ankur is a Principal at TPG Growth, based in Mumbai. He joined TPG in 2013 and has worked on multiple investments in Healthcare, Energy and Consumer sectors across India and the broader South Asia region. Ankur also serves on the board of CTSI, Rhea Healthcare, Fourth Partner Energy and Asiri Hospitals. Prior to joining TPG, he worked with an Indian private equity fund, India Equity Partners, focusing on investments in consumer and healthcare sectors. Ankur received his MBA from IIFT, where he was awarded a Gold Medal for all-round achievement.

Jitesh Devendra
Managing Director and Chief Executive Officer

Mr. Jitesh with over 20 years of experience, led the North America API business as well as managed the Formulations P&L business of Shasun, which later merged with Strides. His efforts have led the Division into new markets, forging business relationships and introducing new products for out-licensing and partnership. Post-merger, he was responsible for the P&L business for North America and Europe Finished Dosage Form (Regulated Markets-Region 1) and the overall API business P&L. He holds an MBA with specialisation in International Business and Buyer Behaviour, a Bachelor's degree in Commerce from the University of Madras, Loyola College, Chennai, India and holds a Diploma in Sales and Marketing from the National Institute of Sales, Chennai.

Hariharan S
Executive Director and Chief Finance Officer

Mr. Hariharan is a Cost Accountant with rich and varied experience of more than 30 years in the field of Corporate Finance, Accounts and Strategic Planning. He played a vital role in the merger process of Shasun with Strides. He has rich experience in the fields of Finance, Accounts, Secretarial, Taxation, Legal and Information Technology functions. He has extensive experience in Mergers & Acquisitions.

LEADERSHIP TEAM

Jitesh Devendra
Managing Director and CEO

Hariharan S
Executive Director and CFO

B. Sreenivasa Reddy
Chief Operating Officer

Sundara Moorthy V
Senior Vice President - Quality Management and Regulatory Affairs

Venkateshan Rangachari
Chief Business Officer

Swaminathan Srinivasan
Senior Vice President - R&D

COMMUNITY FOCUS

Responsibly forward

At Solara, corporate citizenship is deeply embedded into our business and we committed to actively contributing to the community we are part of. We go beyond compliance and create sustainable value for communities by improving their health, education and employability. We leverage our unique skills to create maximum impact for beneficiaries, both internal and external. Our modest interventions target the holistic development of individuals in and around our areas of operations. These can be broadly categorised as follows.

HEALTH AND SANITATION

- Establishing a primary healthcare centre at Kalapet
- Organising general health awareness drives, waste management programmes and check-up camps
- Building and refurbishing underground drainage systems, septic tanks and water filtration plants, ensuring supply of safe drinking water to neighbourhoods

EDUCATION

- Renovating schools with requisite physical and learning infrastructure
- Adopting existing schools and Anganwadis and supporting them with the provision of infrastructure, amenities and so on

LIVELIHOOD

- Sponsoring incentive awards as well as upskilling programmes and vocational training modules for the youth
- Offering sports and technical scholarships to high performing talent
- Extending aid to Andhra Pradesh Industrial Infrastructure Corporation, Vijayawada
- Organised relief efforts to rehabilitate victims of natural disasters and contributed towards the construction of community places

CORPORATE INFORMATION

REGISTERED OFFICE

201, Devavrata,
Sector 17, Vashi,
Navi Mumbai - 400 703.
Tel.: +91 22 2789 2924
Fax No. +91 22 2789 2942
Email: investors@solara.co.in
Website: www.solara.co.in
CIN: L24230MH2017PLC291636

CORPORATE OFFICE

3rd & 4th Floor, Batra Centre, No.28,
Sardar Patel Road,
Guindy, Chennai - 600 032.
Tel.: +91 44 4344 6700/2220 7500
Fax No. +91 44 2235 0278

BENGALURU OFFICE

2nd Floor, 6/36, 1st Cross Rd,
Vasanth Nagar,
Bengaluru 560051.
Tel.: +91 44 4344 6700/2220 7500
Fax No. +91 44 2235 0278

R&D CENTRE

Chennai R&D
27, Vandaloor Kelambakkam Road,
Keelakottaiyur Village, Melakottaiyur (PO),
Chennai - 600 127.

Jigani R&D
No 11, 1st & 2nd Floor,
KIADB Industrial Area Phase-I,
Jigani, Bangalore - 560105.

OVERSEAS OFFICE

North America
197, Rt 18 South, Suite 102,
East Brunswick, NJ 08816, USA.

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Prestige Trade Tower, Level 19,
46, Palace Road High Grounds,
Bengaluru - 560001.

INTERNAL AUDITORS

PricewaterhouseCoopers
8th Floor, Prestige Palladium Bayan,
129-140, Greams Road,
Chennai 600006.

REGISTRAR AND SHARE TRANSFER AGENT

Karvy Fintech Private Limited,
Karvy Selenium, Tower B,
Plot No. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032.
Tel: +91 40 6716 1500,
Fax: 040 23420814
Email id: raju.sv@karvy.com

BANKERS AND FINANCIAL INSTITUTIONS

RBL Bank Ltd
IDFC First Bank Ltd
Yes Bank Ltd
Aditya Birla Finance Limited
IndusInd Bank

PLANTS

Puducherry
Mathur Road, Periakalapet, Puducherry - 605 014.

Cuddalore
A 1/B SIPCOT Industrial Complex, Kudikadu,
Cuddalore - 607 005.

Mangalore
Plot No.120 A & B, 36, 120P & 121, Industrial Area,
Baikampady, New Mangalore - 575 011.

Mysore
Plot Nos. 253 & 254, Thandya Industrial Area,
Thandavapura, Mysore - 571 302.

Ambernath
Plot No. N-39/ N-39-1, Anand Nagar MIDC, Additional
Ambernath, Ambernath (East), Mumbai - 421506.

STATUTORY REPORTS

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

World

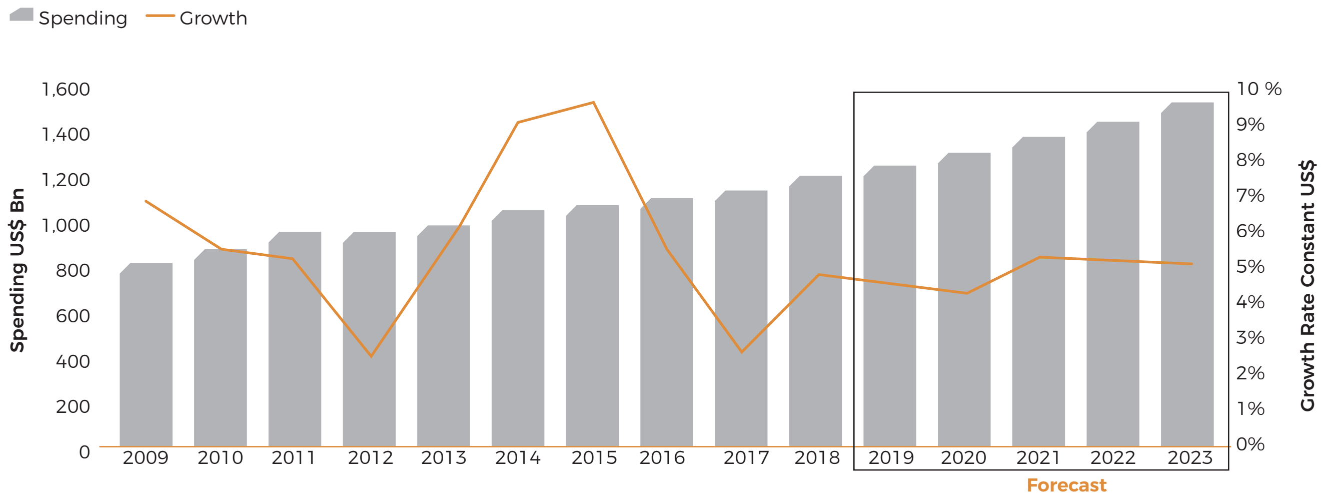
The pharmaceutical industry, in the last few years, has emerged as one of the largest and fastest growing in the world, in terms of both revenue and employment. Increased private and public spending, strong market coverage and additional services have helped the industry's growth. Consumer healthcare spending patterns have also evolved through the years, on account of socio-economic progress, along with a rise in non-communicable diseases and changes in lifestyles – catalysing growth in health-related products and services.

Pharmaceutical companies have made significant investments in Research and Development (R&D) to leverage scientific innovation and secure long-term competitive advantages, rather than focusing on short-term gains. Emerging technologies are creating a transformative opportunity for life sciences, and scientific discoveries are on the fast track. Encouraging progress is being made on all fronts, from the possibilities offered by personalised medicines and the potential offered by harnessing the power of big data. The wider objective of the industry is to turn fundamental research into innovative treatments that can be accessed by patients on a larger scale.

Looking ahead to the future, sustained economic reforms, rising income levels, coordinated healthcare spends and continued lifestyle changes will drive the industry. In terms of spending growth, the global pharmaceutical market will exceed US$1.5 trillion by 2023 growing at a 3-6% CAGR during the 2019-2023 period. To this end, the key drivers will continue to be the US and pharmerging* markets with 4-7% and 5-8% CAGR respectively. In the US, overall spending is led by a range of factors like new product uptake and brand pricing; while it is offset by patent expiries and generic drugs. [Source: IQVIA]

*Pharmerging is a group of IQVIA defined pharmerging markets characterized by less than US$30,000 GDP/capita and greater than $1bn absolute prescription medicines market growth potential between 2014 and 2019. The markets are: China Brazil India Russia Mexico Turkey Poland Saudi Arabia Indonesia Egypt Philippines Pakistan Vietnam Bangladesh Argentina Algeria Colombia South Africa Chile Nigeria Kazakhstan.

GLOBAL MEDICINE SPENDING AND GROWTH 2009-2023



[Source: IQVIA]

India

India, the world's third largest pharmaceutical market in volume terms, remains an attractive destination for generic R&D and manufacturing of pharmaceuticals, owing to its strong capabilities across the value chain. Profitability, though expected to remain healthy, is impacted by industry-wide challenges. These include, among other factors, the patent cliff, significant price erosion, rising R&D costs and other overheads, currency volatility vis-à-vis export markets and increased scrutiny by regulators globally. This said, company-specific factors will continue to play a pivotal role in shaping the product pipeline quality (higher share of limited competition launches in the US) and is likely to emerge as the most important differentiator. In this context, companies with a growing portfolio – spanning niche and/or complex products in regulated markets, catering to diverse geographies and reinforcing brand equity in export markets – will be better placed to manage some of the headwinds.

ACTIVE PHARMACEUTICAL INGREDIENTS

The global Active Pharmaceutical Ingredients (API) market was valued at US$ 162.39 billion in 2018 and is estimated to reach US$ 258.08 billion in 2024 [Source: IQVIA]. Some of the key market drivers include the increasing prevalence of infectious diseases, cardiovascular conditions and other chronic disorders. In addition, a higher prevalence of genetic disorders is significantly driving the usage of biologicals and biosimilars, world over. Crude oil price trends and rupee depreciation have also impacted the industry, as these are an important part of the cost composition when it comes to manufacturing of API or intermediates.

Global API market 2017-2024

Year	Revenue (in US$ billion)	Growth (in %)
2017	153.31	5.58
2018	162.39	5.92
2019	172.96	6.51
2020	185.34	7.16
2021	199.95	7.88
2022	216.71	8.38
2023	235.95	8.88
2024	258.08	9.38

[Source: IQVIA]
Calculations from 2019 to 2024 are assumed to grow by 0.5% YoY, to achieve the global API market to be US$ 258 billion as on 2024

The API market has traditionally been dominated by drugs, such as anti-infectives and diabetes, cardiovascular, analgesics and pain management drugs. However, as per the R&D trends, the demand is shifting toward the development of complex APIs used in novel formulations, targeting niche therapeutic areas. Many drugs are in the pipeline to develop treatments for cancer, autoimmune disorders and metabolic diseases. Owing to the rising incidence of cancer, several manufacturers are stepping into the development of Highly Potent APIs (HPAPI) and specialty APIs, to cater to the rising demand for these products. After cardiology, oncology accounts for the fastest-growing API segment, observes a report by Research and Markets.

Globally, the API market is divided into multiple geographies such as North America, Europe, Asia and the rest of the world; wherein North America is expected to dominate in 2019, followed by Europe.

Global market size

Worldwide	United States	Pharmerging	Top 5 Europe	Japan
2018: $ 162.39 Bn	2018: $ 68.20 Bn	2018: $ 43.83 Bn	2018: $ 30.85 Bn	2018: $ 19.48 Bn
2019: $ 172.96 Bn	2019: $ 72.64 Bn	2019: $ 46.69 Bn	2019: $ 32.86 Bn	2019: $ 20.75 Bn
2021: $ 199.95 Bn	2021: $ 83.97 Bn	2021: $ 53.98 Bn	2021: $ 37.99 Bn	2021: $ 23.99 Bn
2024: $ 258.08 Bn	2024: $ 108.39 Bn	2024: $ 69.68 Bn	2024: $ 49.03 Bn	2024: $ 30.96 Bn

China

There are many macroeconomic and industry restrictions controlled by the Chinese government, intended towards cutting down air pollution regulating safety standards. With greater scrutiny on emissions control and incentives around the same, heavily polluting factories are relocating bases outside of the country.

Certain global manufacturers are impacted, resulting in a domino effect, which affect the price and supply across the pharmaceutical value chain. After Key Starting Material (KSM) manufacturers started to relocate to set up their bases outside China, manufacturers hiked their prices as per their own economies, which impacted the KSM pricing and thus API pricing as well. Further, due to the regulations being implemented, in the weeks to come, more chemicals are coming under the government lens, signalling that more disruptions in the supply chain are on the horizon.

ABOUT SOLARA ACTIVE PHARMA SCIENCES

Solara Active Pharma Sciences (Solara) is a young, dynamic, entrepreneurial and customer-driven API manufacturer, serving 75+ countries across the world. With a legacy of over three decades, we trace our origins to the API expertise of Strides Pharma Science Ltd (formerly known as Strides Shasun Limited (Strides) and the technical knowhow of the human API business from Sequent Scientific Ltd. (Sequent). We are poised to bridge gaps in the industry, through the delivery of value-based products that fulfil specific customer needs. The commercial portfolio spans diverse categories, which broadly include antimalarial, anxiolytic, anticonvulsant, anthelmintic, antifungal, antihyperlipidemic, chronic kidney disease, hyperkalaemia, folate analogue, non-steroidal anti-inflammatory drugs (NSAIDs) and neuromuscular.

We offer contract services including contract development and manufacturing, analytical services, impurity synthesis and profiling to our customers. Our capabilities extend to contract development on a full-time equivalent basis for lead analogues, building blocks, reference studies and custom synthesis for pilot campaigns and clinical supply. We also have the capability to provide analytical and regulatory support by leveraging our global regulatory expertise.

Manufacturing and research facilities

We have a team of 140+ scientists working at our two dedicated R&D centres in Bangalore and Chennai, and four API manufacturing facilities in Puducherry, Cuddalore, Mangalore and Mysore with a capacity of over 1,600 kilo litres. We received recognition from Department of Scientific and Industrial Research (DSIR) for the two R&D centres; while each of the four facilities are state-of-the-art complexes armed with global approvals.

We acquired the last remaining asset of Strides' API business, the Ambernath site in Maharashtra, in the year. Our upcoming multi-product multi-purpose greenfield site in Visakhapatnam is scheduled to commence the site validation in the fourth quarter of the 2019-20 fiscal.

Notably, our continued focus on the highest level of regulatory compliance resulted in two Zero 483s out of three US Food and Drug Administration (FDA) inspections that we underwent during the year. We additionally underwent one inspection from the South Korean authorities at the Mangalore site.

New product focus

Developing and introducing new product molecules first to market is part of our growth strategy. New products launched contributed towards 6% of our overall sales in the year. During the year, we had a list of New Chemical Entity (NCE) molecules under development as well as quick-to-launch and Phase-III molecules under review, while market-specific opportunities were accessed. We have 25+ products in our development pipeline spread over niche therapy segments such as anthelmintic, beta blockers, muscle relaxants, hyperkalaemia, neuromuscular, anti-Parkinson, anti-diabetic and ophthalmic, among others.

New market focus

North America, the European Union and Japan continue to be our key markets, with focus also emerging on China and Eastern Europe. We have 140+ DMFs filed world over, nine of which were filed in the reporting year. During this period, we also extended our market portfolio for 15 of our existing products into new geographies such as China, Russia, Philippines, Malaysia, Ukraine and South Africa.

We have already filed two Drug Master Files (DMFs) in China and will continue to file more in the future. All our manufacturing sites are 'Zero Liquid Discharge', which will benefit our efforts to make a mark in the Chinese market.

Outlook

Solara is firmly on track to become a leading pure-play API company with a laser-sharp focus on compliance and customer delight. Our portfolio of new products and new customers will augment current base and enable steady growth, enhancing the value we create for our shareholders. Our worldwide presence constitutes established strongholds in key regulated markets and growth territories. Our robust R&D pipeline promises a constant stream of revenue from the new product validations. We will continue to differentiate ourselves by our commitment to innovation, technology, compliance and world-class infrastructure, thereby capitalising on the opportunities present in the domestic as well as global API space.

FINANCIAL PERFORMANCE

Consolidated profit and loss metrics (₹ in million)

Particulars	FY19	FY18	Change
Revenue	13,991	10,367	35%
Operating EBITDA	2,862	1,559	84%
Operating EBITDA margin	20%	15%	-
R&D cost	(448)	(103)	-
Exchange gain/(loss)	(98)	2	-
EBITDA*	2,316	1,458	59%
EBITDA margins	17%	14%	250 bps

*Excludes interest income

Note:
1. The above financial summary pertains to continuing operations of the Company.
2. Pursuant to the Composite Scheme of Arrangement becoming effective from the appointed date of October 1, 2017, the above summary of FY 18 includes
   a) the results of the commodity API business of Strides and the human API business of Sequent, which were transferred to the Company from October 1, 2017.
   b) unaudited proforma financial results considering if the commodity API business of Strides and the human API business of Sequent were part of the Company during the full financial year 2017-18.
3. The significant changes in key financial ratios and return on networth cannot be comparable with the previous year financials, since the period of operations is only for six months. The appointed date as per the Composite Scheme of Arrangement is October 1, 2017.

Key highlights

- FY19 revenues at ₹ 13,991 million, up by 35%, with 59% growth in EBITDA to ₹ 2,316 million
- Growth in revenue due to continued expansion in base business and new product launches
- Operating EBITDA positively impacted due to price increase, better capacity utilisation and cost improvement programmes
- 4x growth in R&D investments to develop new products as well as process improvements

HUMAN ASSETS

Our workforce strength numbers at 2,000+, as on March 31, 2019. An experienced senior management team helps us in effectively pursuing our growth strategies. Our teams' rich domain expertise as well as deep motivation to stay ahead of industry trends and market changes is critical to helping us translate on-ground opportunities into tangible and intangible value for stakeholders.

RISK AND MITIGATION

Risk	Description	Mitigative measures
Operational risk	Any manufacturing or quality control problems may damage our reputation which could adversely affect our business, results of operations and financial conditions	• Consistent track record of approvals from all leading global regulatory authorities • Regular inspection of production facilities for compliance vis-à-vis both quality as well as environmental aspects • Routine upgradation of audit procedures to comply with any changes in international regulatory requirements • Regular review mechanism to enhance optimum utilisation of operational facilities
Research and Development risk	Risk from the lack of timely development or commercialisation of new APIs	• R&D efforts are dedicated towards developing new products and expanding product portfolio • Product selection is based on three buckets to reduce dependence on one approach
Suppliers risk	Our profitability and margins can be affected in case there is significant change in raw material prices and operational cost, among other factors	• Long-term contracts with approved vendors (domestic and global) after stringent vendor audit ensure supply of raw materials • Local manufacturing of key intermediates • Cost improvement programmes for key APIs to maintain margins due to increase in raw material price
Competition risk	The pharmaceutical industry in intensely competitive and our inability to compete in real time may adversely affect our business, results of operations and financial condition.	• Continued elevation and evaluation of business in line with global standards • In-house teams that conduct cost improvement programmes • Geography expansion of APIs • Portfolio restructuring to ensure better utilisation of capacity
Safety risk	Any untoward accidents may damage our reputation which could adversely affect our business, results of operations and financial conditions	• Regular inspection of facilities for compliance vis-à-vis both safety as well as environmental aspects • Implementation of risk-based process safety management systems • Identification of high risks and implementing precautionary measures through Risk Buckets program • Regular review of safety performance to monitor the progress against safety improvement plans of operational facilities • Implementation of Corrective Action Prevent Action (CAPA) of external third-party audit findings

INTERNAL CONTROLS AND THEIR ADEQUACY

The Internal Auditors and Senior Management continuously evaluate the internal controls. Solara has also invested in advanced infrastructure that ensures all-round control over business processes and practices. The internal control system provides reasonable assurance about the integrity and reliability of the financial statements. Further, the Company has a strong in-house audit programme, which regularly encompasses various operations. The Audit Committee reviews internal audit observations on a regular basis.

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Second Annual Report of Solara Active Pharma Sciences Limited (the Company) together with the audited financial statements for the year ended March 31, 2019.

1. FINANCIAL SUMMARY

₹ in Million

Financial Results	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue	13,740.49	5,232.49	13,990.61	5,234.31
Profit before interest, Depreciation and Tax	2,312.08	662.14	2,315.98	646.16
Profit before tax	717.06	75.80	676.93	58.27
Profit after tax	696.85	75.80	671.03	59.67
EPS (basic) on the basis of ₹ 10/- per share	25.88	6.77	24.88	5.36
EPS (diluted) on the basis of ₹ 10/- per share	25.84	6.77	24.84	5.36

The above financial results pertains to continuing operations of the Company

A detailed analysis of the operations of the company is provided in the management discussion and analysis report, which forms a part of this annual report.

2. BUSINESS OVERVIEW

We are a global, R&D focused, pureplay API company engaged in the manufacturing and development of APIs and offering Contract Manufacturing and Development Services for global companies. We have a highly compliant manufacturing footprint spread over five large scale multi-product facilities supported by a team of 2000+ employees. Our business is spread across 75 countries with extensive operations in the key markets of North America, Europe, Japan, South Korea and the Middle East and North Africa. We are poised to create strategic value in the B2B space with a basket of high-value products, compliant manufacturing base, long term supply assurance and strong customer advocacy.

3. DIVIDEND

The Board of Directors of the company are pleased to recommend a maiden dividend of ₹ 5/- per equity share of face value of ₹ 10/- each for the financial year ended March 31, 2019 subject to the approval of the shareholders of the company at the ensuing annual general meeting scheduled to be held on August 14, 2019.

The Register of Members and Share Transfer Books will remain closed from August 8, 2019 to August 14, 2019 (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2019. Dividend, if approved by shareholders, will be paid within 30 days from the date of declaration of dividend.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has adopted a Dividend Distribution Policy. The said Policy is available on the Company's website and can be accessed at investor page of our company's website www.solara.co.in.

4. PREFERENTIAL ALLOTMENT

The company in accordance with the provisions as contained in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (hereinafter referred to as "SEBI (ICDR) Regulations") and pursuant to approval by the shareholders of the company at the extraordinary general meeting held on February 27, 2019, allotted 6,500,000 warrants to Promoters at ₹ 400/- each and 4,000,000 warrants to Non Promoter investor at ₹ 500/- each. The said warrants are convertible into equivalent number of equity shares within 18 months from date of issue of the warrants. The Company received 25% of the upfront amount of ₹ 1,150 Mn. towards allotment of convertible warrants from the allottees.

The company after obtaining in principle approvals from the National Stock Exchange of India Limited and BSE Limited has allotted 10,500,000 warrants on March 8, 2019 to the Promoters and Non-Promoter investor of the company.

5. SHARE CAPITAL

The Authorized Share Capital of the Company has been increased from ₹ 300 Mn to ₹ 400 Mn vide a resolution passed by the shareholders of the company at the extraordinary general meeting of the company held on February 27, 2019.

The Board of Directors of the company vide a resolution dated March 26, 2019 has issued and allotted 1,100,000 equity shares of face value of ₹ 10/- each to Promoter / Promoter group of the company on preferential issue upon first tranche of conversion warrants into equity shares in accordance with the provisions as contained in the "SEBI (ICDR) Regulations". The Company received balance 75% of the amount of ₹ 330 Mn. towards allotment of 1,100,000 equity shares pursuant to conversion of warrants.

The Issued, Subscribed and Paid-up Share Capital of the Company as at the date of this report is ₹ 257.74 Mn divided into 25,774,267 equity shares of ₹ 10/- each.

6. ACQUISITIONS

During the current year, the Company entered into a share purchase agreement with Strides Pharma Science Limited (formerly known as Strides Shasun Limited) and acquired 100% of the Investments in Strides Chemicals Private Limited for a consideration of ₹ 1,310 Mn with effect from September 1, 2018 (acquisition date). Strides Chemicals Private Limited is engaged in developing and manufacturing of API products and has an USFDA approved facility at Ambernath.

7. PROPOSED AMALGAMATION OF STRIDES CHEMICALS PRIVATE LIMITED

The Board of Directors of the Company at its meeting held on September 28, 2018 have approved the Scheme of Amalgamation for merger of Strides Chemicals Private Limited (Transferor), a wholly owned subsidiary of the Company into the Company (Transferee Company) in terms of Section 230 to 232 of the Companies Act, 2013. The Scheme is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, the shareholders and creditors of each of the companies.

The appointed date for the said amalgamation is September 1, 2018 or such other date as may be agreed between the Transferor Company and the Transferee Company and approved by the National Company Law Tribunal.

Pursuant to the proposed scheme coming into effect, the equity shares held by the Company in Strides Chemicals Private Limited shall stand cancelled. The Scheme of Amalgamation will enable the Company to consolidate and effectively manage the Transferor Company and the Company in a single entity, eliminate duplication of operating and administrative expenses and simplify the group structure.

8. DIVESTMENT

During the year, the Company disposed off its business operations at Mahad facility, which was originally part of the Human API business demerged from Sequent Scientific Limited. The disposal was completed on July 31, 2018.

9. SOLARA EMPLOYEES STOCK OPTION PLAN 2018

The company has introduced ESOP Scheme viz., Solara Employees Stock Option Plan 2018.

During the year under review, Nomination and Remuneration Committee of the Board (NRC Committee) has granted 845,000 options convertible into equal number of equity shares of face value of ₹ 10/- each to the senior management personnel of the Company. Statement giving detailed information on stock options granted to Employees as required under the SEBI Regulation is enclosed as Annexure 9 to this Report.

10. MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments occurred, affecting the financial position of the Company, between the end of the financial year and the date of this report.

11. SUBSIDIARIES

The details of Subsidiary Companies and their financial position as required under the first proviso to Section 129(3) is given in Form AOC-1 as Annexure-1 as part of this report.

12. CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standard of Corporate Governance and adhere to Corporate Governance guidelines as laid out in the Listing Regulations.

M/s. Mohan Kumar and Associates, Practicing Company Secretaries, have examined the requirements of Corporate Governance with reference to Listing Regulations and have certified the compliance, as required under Listing Regulations. The Certificate in this regard is attached as Annexure 8 to this report.

13. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Schedule V of Listing Regulations "Management Discussion and Analysis" is given separately and forms part of this Report.

14. NUMBER OF MEETINGS OF THE BOARD

During the financial year 2018-19, the Directors met six times i.e., on April 11, 2018; May 19, 2018; August 3, 2018; September 28, 2018; October 30, 2018 and January 31, 2019.

15. DIRECTORS & KEY MANAGERIAL PERSONNEL

As on date of this report, the Board comprised of 8 directors comprising of 2 Executive Directors, 2 Non-Executive Directors and 4 Independent Directors. Chairman of the Board is Non-Executive Director. The details of each member of the Board as on the date of this report forms part of Corporate Governance Report.

Continuation / Appointment / Retire by Rotation:

a) Mr. Jitesh Devendra, Managing Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Your directors recommend his reappointment.

b) Continuation of Mr. Deepak C Vaidya as Non-Executive Director of the Company beyond the age of 75 years.

   Your directors recommend his continuation as a Non-Executive Director of the Company, liable to retire by rotation.

c) Mr. Ronald Tjeerd De Vries was appointed as Independent Director (Additional Director) of the Company effective from October 30, 2018, who shall hold office till the conclusion of the ensuing Annual General Meeting of the Company.

   Your directors recommend his appointment as Independent Director of the Company for a period of five years effective from October 30, 2018, not liable to retire by rotation.

d) Mr. Ankur Nand Thadani was appointed as a Non-Executive Director (Additional Director) of the Company effective from May 16, 2019, who shall hold office till the conclusion of the ensuing Annual General Meeting of the Company.

   Your directors recommend his appointment as a Non-Executive Director of the Company, liable to retire by rotation.

Detailed profile of the Directors is attached as Annexure 6 to this report

The Company has received requisite notices from the member proposing the election of Mr. Ronald Tjeerd De Vries and Mr. Ankur Nand Thadani as Directors of the Company pursuant to Section 160 of the Companies Act, 2013.

The following are the Key Managerial Personnel (KMPs) of the Company:

- Mr. Jitesh Devendra, Managing Director
- Mr. S. Hariharan, Executive Director-Finance and Chief Financial Officer
- Mr. B. Sreenivasa Reddy, Chief Operating Officer, and
- Mr. S. Murali Krishna, Company Secretary

There were no changes in KMPs during the year.

16. DECLARATION BY INDEPENDENT DIRECTORS

In accordance with Section 149(7) of the Companies Act, 2013 each Independent Director has confirmed to the Company that he / she meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

17. BOARD EVALUATION

The Companies Act and Listing Regulations relating to Corporate Governance contain provisions on evaluation of the performance of the Board and its Committees as a whole and Directors including Independent Directors, Non-Independent Directors and Chairperson individually. In pursuant thereof, annual evaluation of performance of the Board, working of its Committees, contribution and impact of individual directors has been carried out through a questionnaire for peer evaluation on various parameters.

18. PARTICULARS OF EMPLOYEES

The statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report and is appended herewith as Annexure 7 to the Boards' report

The statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the aforesaid information, is being sent to the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any shareholder interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has undertaken "Corporate Social Responsibility (CSR)", initiatives in areas of Health, Education and Employability which are projects in accordance with Schedule VII of the Companies Act, 2013.

A detailed report on CSR activities undertaken during the financial year 2018-19 is enclosed as Annexure-2 to this Report.

20. RISK MANAGEMENT

The Company has a risk management framework for identification and managing risks. Please refer the 'Management Discussion and Analysis' report forming part of the Annual Report for additional details.

21. LOANS, GUARANTEES OR INVESTMENTS

Particulars of investments made, loans given and guarantees covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Note Nos 42 and 48 to the Standalone Financial Statements in the Annual Report.

22. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions with related parties are in the ordinary course of business and at arm's length basis. The transactions with related parties are disclosed in Note No. 42 to the Standalone Financial Statements in the Annual Report. The disclosure of contracts or arrangements with related parties for material transactions is furnished in Form AOC-2 as Annexure 10 as part of this report.

The Company has formulated a policy for transacting with Related Parties, which is uploaded on the website of the Company. Further, there are no materially significant related party transactions with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

24. AUDITORS AND AUDIT REPORTS

Secretarial Audit Report

M/s. Mohan Kumar & Associates, Practicing Company Secretaries, Chennai, is the Secretarial Auditor for the Company.

The Secretarial Audit for the financial year 2018-19, *inter-alia*, included audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by SEBI amongst others.

The Secretarial Audit Report is enclosed as Annexure 5 to the Board's Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

Statutory Auditors

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W/W-100018) was appointed as Statutory Auditors of the Company at the first Annual general meeting of the company for a period of 5 years and will hold the office till the conclusion of the 6th AGM of the Company to be held in the Financial Year 2022-23. The Auditor's report to the shareholders on the standalone and consolidated financial statement for the year ended March 31, 2019 does not contain any qualification, observation or adverse comment.

Internal Auditors

M/s. Price Waterhouse Coopers, Chartered Accountants are the Internal Auditors of the Company. The Internal Auditors carry out audit as per the audit plan defined by the Audit Committee and regularly updates the committee on their internal audit findings at the Committee's meetings.

The Internal Auditors were satisfied with the management response on the observation and recommendations made by them during the course of their audit and have expressed satisfaction with the internal systems, controls and process followed by the Company.

Cost Auditors and Cost Records

Mr. K. Suryanarayanan, Cost Accountant (Membership No.24946) has carried out the Cost Audit for the applicable business for the year under review.

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013, the Board of Directors had appointed Mr. K. Suryanarayanan, Cost Accountant (Membership No.24946) as Cost Auditor of the Company for the financial year 2018-19. Proposal for ratification of remuneration of the Cost Auditor is placed before the shareholders.

The company is maintaining cost records as specified under sub-section (1) of section 148 of the Companies Act, 2013,

Reporting of Frauds by Auditor

During the year under review, neither the Statutory Auditors nor the Internal Auditors has reported to the Audit committee under Section 143(12) of the Companies Act 2013, any instances or fraud committed against the company by its officers or employees, the details of which need to be mentioned in the Board's report.

25. INTERNAL FINANCIAL CONTROLS

The Company has in place well defined and adequate framework for Internal Financial Controls ("IFC") as required under Section 134 (5) (e) of the Companies Act, 2013.

During the year under review, such controls were tested and no material weaknesses in their design or operations were observed.

26. OTHER DISCLOSURES

Nature of Business of the Company

There has been no change in the nature of business of the Company during the year under review.

Public Deposits

The Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Vigil Mechanism / Whistle Blower Policy

The Company in compliance with Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations has established a Whistle Blower Policy in place as part of its vigil mechanism. The policy provides appropriate avenues to the directors, employees and stakeholders of the Company to make protected disclosures in relation to the matters concerning the Company. Protected disclosures are appropriately dealt with by the Whistle Officer or the Chairman of the Audit Committee. The policy is also available on the Company's website at www.solara.co.in

Policy on Directors Appointment and Remuneration

The policy of the Company on Directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Section 178 of the Companies Act, 2013 is available on the Company's website at www.solara.co.in

Insurance

The assets/properties of the Company are adequately insured against loss due to fire, riots, earthquake, terrorism, etc., and against other perils that are considered necessary by the management.

Extract of Annual Return

An extract of Annual Return in form MGT-9 as on March 31, 2019 is attached as Annexure – 3 forming part of this Report.

Secretarial standards issued by the Institute of Company Secretaries of India (ICSI)

The Directors state that the applicable Secretarial Standards have been followed during the Financial Year 2018-19

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 134 of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as Annexure - 4 to this Report.

Disclosure under the Sexual harassment of woman at workplace (Prevention, Prohibition and Redressal) Act, 2013

The company has put in place an anti-sexual harassment mechanism in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee have been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaint of sexual harassment during the year 2018-19.

27. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the Directors of your Company confirm that:

a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) they have prepared the annual accounts on a going concern basis

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and

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

28. CAUTIONARY STATEMENT

Statements in the Annual Report, particularly those that relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

29. ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Banks during the year under review. Your Directors also place on record their deep sense of appreciation for the continued support of customers, suppliers, employees and investors of the company.

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

S. Hariharan
Executive Director-Finance and Chief Financial Officer

Place: Bengaluru
Date: 16.05.2019

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

PART "A" : Subsidiaries

₹ in Million

S. No	Subsidiary Name	Reporting period	Reporting Currency	Share capital (including share application money pending allotment)	Reserves and surplus	Total liabilities	Total assets	Investments (except In case of Investments in Subsidiaries)	Turnover	Profit / (Loss) before taxation	Tax Expenses (credit)	Profit / (Loss) after taxation	Proposed dividend equity	% Share holding
1	Chemsynth Laboratories Pvt Ltd	Apr-Mar	INR	68.63	(16.11)	26.09	78.60	-	0.01	(2.58)	-	(2.58)	-	49.00%
2	Sequent Penems Private Limited	Apr-Mar	INR	45.26	(14.67)	148.64	179.22	-	2.01	2.87	-	2.87	-	89.23%
3	Strides Chemicals Private Limited	Apr-Mar	INR	797.00	445.24	363.08	1,605.32	-	301.26	(30.82)	0.01	(30.83)	-	100.00%
4	Shasun USA Inc	Apr-Mar	USD	0.54	(58.76)	58.36	0.14	-	4.07	(7.21)	(14.32)	7.10	-	100.00%

Part "B": Associates and Joint Ventures

₹ in Million

S. No	Name of Associate / Joint venture	Latest Audited Balance Sheet date	Shares held by the company on the year end			Significant Influence	Reason for not consolidation	Net worth	Profit / (Loss) for the year	
			No.	Investment Held	Holding %				Considered in consolidation	Not Considered in consolidation
Associates and Joint Ventures	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

S. Hariharan
Executive Director-Finance and Chief Financial Officer

Place: Bengaluru
Date: 16.05.2019

ANNEXURE 2 TO THE BOARD'S REPORT

Annual Report on Corporate Social Responsbility (CSR) Activities

Brief outline of the Company CSR policy including overview of projects or programs proposed to be undertaken

The Company's CSR policy has been uploaded in the website of the Company : www.solara.co.in

1. **Composition of the CSR Committee**

   Dr. Kausalya Santhanam, Independent Director

   Mr. R. Ramakrishnan, Independent Director

   Mr. Ankur Nand Thadani, Non-Executive Director

   Mr. Jitesh Devendra, Managing Director

2. Average net profit of the Company for the last three financial years computed in line with Section 198 – For FY19 – ₹ 315 Mn

3. The prescribed CSR expenditure which is two percent of the amount – ₹ 6.31 Mn

4. Details of CSR spent during the financial year:

   a) Prescribed CSR expenditure – ₹ 6.31 Mn

   b) Amount spent on CSR - ₹ 14.34 Mn

   c) Amount unspent, if any: Nil

5. **Manner in which amount spent during the financial year 2018-19 is detailed below:**

₹ in Million

S. No.	CSR project or activity identified	Sector in which the project is covered	Location (Unit)	Amount Spent on the Project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
1	Primary Health Centre at Kalapet, Pondicherry	Health	Pondicherry	2.69	2.69	Direct by the Company
2	Awareness program on Personal Hygiene, Waste Management & Health Camps	Health & Hygiene	Pondicherry and Cuddalore	1.04	1.04	Direct by the Company
3	Providing sanitation and drinking water facilities at Pondicherry and Cuddalore	Health & Hygiene	Pondicherry and Cuddalore	2.88	2.88	Direct by the Company
4	Sponsorship Support for Education	Education	Pondicherry and Cuddalore	1.36	1.36	Direct by the Company
5	Construction of Community hall	Livelihood	Pondicherry	5.00	5.00	Direct by the Company
6	Contribution to APIIC, Vijayawada	Livelihood	Vizag	1.38	1.38	Through implementing agency
	Total			**14.34**	**14.34**	

6. **Responsibility statement by the corporate social responsibility committee:**

   The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

Dr. Kausalya Santhanam
Chairperson

Place: Bengaluru
Date: 16.05.2019

ANNEXURE 3 TO THE BOARD'S REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

for the financial year ended on March 31, 2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.]

I. REGISTRATION & OTHER DETAILS:

CIN	L24230MH2017PLC291636
Registration Date:	February 23, 2017
Name of the Company	Solara Active Pharma Sciences Limited
Category/Sub-category of the Company	Company Limited by shares / Indian – Non Government Company
Address of the Registered office & contact details	201, Devavrata, Sector 17, Vashi, Navi Mumbai - 400703 Email: investors@solara.co.in Website : www.solara.co.in Tel. No. 022-27892924 Fax No. 022- 27892942
Whether listed company*	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any	Karvy Fintech Private Limited, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 Tel: +91 40 6716 1500, Fax: 040 23420814 Email id: raju.sv@karvy.com

* The company's shares were listed on the stock exchanges with effect from June 27, 2018

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

S No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Active Pharmaceutical Ingredients (API)	21001	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Shasun USA Inc 197 Rt, 18 South, Suite 102, East Brunswick, NJ 08816, U.S.A.	NA	Subsidiary	100	2(87)
2	Chemsynth Laboratories Private Limited Second Floor, Jubilee Heights, Plot Nos. 68 & 69 Madhapur Village, Serilingampally Mandal, Hyderabad – 500081	U24297TG2009PTC064991	Subsidiary	49	2(87)
3	Sequent Penems Private Limited, Star II, Opp. IIM, Bilekahalli, Bannerghatta Road, Bangalore – 560076	U24233KA2010PTC053548	Subsidiary	89	2(87)
4	Strides Chemicals Private Limited Plot No. N-39/ N-39-1, Anand Nagar MIDC, Additional Ambernath, Ambernath (East), Mumbai - 421506	U24290MH2003PTC138910	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

i) Category-wise Share Holding

Category of Shareholders	No. of Shares as at April 11, 2018				No. of Shares held at the end of the year March 31, 2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoter									
1. Indian									
a) Individual /HUF	28,83,821	-	28,83,821	11.69	33,83,821	-	33,83,821	13.13	1.44
b) Central Govt.		-		-	-	-	-	-	-
c) State Govt	-	-							

Category of Shareholders	No. of Shares as at April 11, 2018				No. of Shares held at the end of the year March 31, 2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corp	59,51,449	-	59,51,449	24.12	70,68,449	-	70,68,449	27.42	3.30
e) Banks /FI	-	-	-	-	-	-	-	-	-
f) Any Other......	-	-	-		-	-	-	-	
Sub Total (A)(1):-	**88,35,270**	**-**	**88,35,270**	**35.81**	**1,04,52,270**	**-**	**1,04,52,270**	**40.55**	**4.74**
2. Foreign									
a) NRIs –Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter: (A)=(A)(1)+(A)(2)	**88,35,270**	**-**	**88,35,270**	**35.81**	**1,04,52,270**	**-**	**1,04,52,270**	**40.55**	**4.74**

B. Public Shareholding	No. of Shares as at April 11, 2018				No. of shares held at the end of the year March 31, 2019				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of Total Shares	
Institutions									
Mutual Funds /UTI	29,99,202	-	29,99,202	12.16	18,04,856	-	18,04,856	7.00	-5.15
Financial Institutions / Banks	83,880	170	84,050	0.34	24,069	170	24,239	0.09	-0.25
Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	14,202	-	14,202	0.06	-	-	-	-	-0.06
Foreign Institutional Investors	58,69,234	-	58,69,234	23.79	44,74,983	-	44,74,983	17.36	-6.43
Foreign Venture Capital Investors	94,051	-	94,051	0.38	-	-	-	-	-0.38
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1)	**90,60,569**	**170**	**90,60,739**	**36.72**	**63,03,908**	**170**	**63,04,078**	**24.46**	**-12.26**
Non-institutions									
Bodies Corporate	24,54,883	369	24,55,252	9.95	35,04,172	373	35,04,545	13.60	3.65
Individuals									
(i) Individuals holding nominal share capital upto ₹2 lakh	22,72,992	36,077	23,09,069	9.36	24,98,076	26,155	25,24,231	9.79	0.43
(ii) Individuals holding nominal share capital in excess of ₹ 2 lakh	11,31,273	-	11,31,273	4.58	24,97,634	-	24,97,634	9.69	5.11
Others									
Clearing Members	36,524	-	36,524	0.15	29,107	-	29,107	0.11	-0.04
Directors	93,034	-	93,034	0.38	1,84,086	-	1,84,086	0.71	0.33
Foreign Nationals	16,694	-	16,694	0.07	16,686	-	16,686	0.06	0.00
Non Resident Indians	6,07,733	1,560	6,09,293	2.47	1,17,685	1,494	1,19,179	0.46	-2.01
NRI Non-Repatriation	23,529	-	23,529	0.10	92,783	-	92,783	0.36	0.26
IEPF	7,790	-	7,790	0.03	7,790	-	7,790	0.03	0.00
Overseas Corporate Bodies	3,500	-	3,500	0.01	3,500	-	3,500	0.01	0.00
Trusts	58,325	33,975	92,300	0.37	38,378	-	38,378	0.15	-0.23
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total B(2) :	**67,06,277**	**71,981**	**67,78,258**	**27.47**	**89,89,897**	**28,022**	**90,17,919**	**34.99**	**7.52**
Total B=B(1)+B(2) :	**1,57,66,846**	**72,151**	**1,58,38,997**	**64.19**	**1,52,93,805**	**28,192**	**153,21,997**	**59.45**	**-4.75**
Total (A+B) :	**2,46,02,116**	**72,151**	**2,46,74,267**	**100.00**	**2,57,46,075**	**28,192**	**2,57,74,267**	**100.00**	**0.00**
C. Shares held by custodians, against which									
a) Depository Receipts have been issued									
b) Promoter and Promoter Group									
c) Public	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C) :	**2,46,02,116**	**72,151**	**2,46,74,267**	**100.00**	**2,57,46,075**	**28,192**	**2,57,74,267**	**100.00**	

ii) Promoters Shareholding

Category of Shareholders		No. of Shares as at April 11, 2018			No. of Shares held at the end of the year March 31, 2019			% change during the year
Promoters		No. of Shares	% of Total Shares	% of Shares pledged / encumbered to total shares held	No. of Shares	% of Total Shares	% of Shares pledged / encumbered to total shares held	
1	Arun Kumar Pillai	1,168,463	4.74	18.83	1,668,463	6.47	-	1.74
2	K R Ravishankar	1,325,260	5.37	-	1,325,260	5.14	-	-0.23
3	Deepa Arun Kumar	53,500	0.22	-	53,500	0.21	-	-0.01
4	Aditya Arun Kumar	53,333	0.22	-	53,333	0.21	-	-0.01
5	Tarini Arun Kumar	53,333	0.22	-	53,333	0.21	-	-0.01
6	Vineetha Mohanakumar Pillai	49,166	0.20	-	49,166	0.19	-	-0.01
7	Padmakumar Karunakaran Pillai	48,580	0.20	-	48,580	0.19	-	-0.01
8	Sajitha Pillai	33,333	0.14	-	33,333	0.13	-	-0.01
9	Hemalatha Pillai	28,000	0.11	-	28,000	0.11	-	0.00
10	Rajitha Gopalakrishnan	27,500	0.11	-	27,500	0.11	-	0.00
11	K R lakshmi	21,727	0.09	-	21,727	0.08	-	0.00
12	Rajeswari Amma	15,626	0.06	-	15,626	0.06	-	0.00
13	Yalavarthy Usha Rani	6,000	0.02	-	6,000	0.02	-	0.00
	Body Corporates							
14	Pronomz Ventures LLP	3,190,831	12.93	-	3,190,831	12.38	-	-0.55
15	Chayadeep Ventures LLP	1,005,000	4.07	47.44	1,005,000	3.90	25.15	-0.17
16	Agnus Capital LLP	849,635	3.44	60.65	849,635	3.30	36.64	-0.15
17	Sequent Scientific Limited	552,083	2.24	-	552,083	2.14	-	-0.10
18	Chayadeep Properties Private Limited	275,730	1.12	72.53	525,730	2.04	-	0.92
19	Devicam Capital LLP	151,546	0.61	100	151,546	0.59	100	-0.03
20	Karuna Ventures Private Limited	3,333	0.01	-	103,333	0.40	-	0.39
21	Agnus Holdings Private Limited	72,181	0.29	49.87	72,181	0.28	-	-0.01
22	Karuna Business Solutions LLP	416	0.00	-	612,121	2.37	-	2.37
23	Triumph Venture Holdings LLP	5,989	0.02	-	5,989	0.02	-	0.00

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S No	Shareholder's Name	Shareholding details as at April 11, 2018		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**Arun Kumar Pillai**				
	As at April 11, 2018	11,68,463	4.74		
	Add: Preferential allotment – conversion of warrants on March 26, 2019	5,00,000		16,68,463	
	At the end of the year March 31, 2019			16,68,463	6.47
2.	**K R Ravishankar**				
	As at April 11, 2018	13,25,260	5.37		
	At the end of the year March 31, 2019			13,25,260	5.14
3.	**Deepa Arun Kumar**				
	As at April 11, 2018	53,500	0.22		
	At the end of the year March 31, 2019			53,500	0.21
4.	**Aditya Arun Kumar**				
	As at April 11, 2018	53,333	0.22		
	At the end of the year March 31, 2019			53,333	0.21
5.	**Tarini Arun Kumar**				
	As at April 11, 2018	53,333	0.22		
	At the end of the year March 31, 2019			53,333	0.21
6.	**Vineetha Mohanakumar Pillai**				
	As at April 11, 2018	49,166	0.20		
	At the end of the year March 31, 2019			49,166	0.19
7.	**Padmakumar Karunakaran Pillai**				
	As at April 11, 2018	48,580	0.20		
	At the end of the year March 31, 2019			48,580	0.19

S No	Shareholder's Name	Shareholding details as at April 11, 2018		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8.	**Sajitha Pillai**				
	As at April 11, 2018	33,333	0.14		
	At the end of the year March 31, 2019			33,333	0.13
9.	**Hemalatha Pillai**				
	As at April 11, 2018	28,000	0.11		
	At the end of the year March 31, 2019			28,000	0.11
10.	**Rajitha Gopalakrishnan**				
	As at April 11, 2018	27,500	0.11		
	At the end of the year March 31, 2019			27,500	0.11
11.	**K R Lakshmi**				
	As at April 11, 2018	21,727	0.09		
	At the end of the year March 31, 2019			21,727	0.08
12.	**Rajeswari Amma**				
	As at April 11, 2018	15,626	0.06		
	At the end of the year March 31, 2019			15,626	0.06
13.	**Yalavarthy Usha Rani**				
	As at April 11, 2018	6,000	0.02		
	At the end of the year March 31, 2019			6,000	0.02
14.	**Pronomz Ventures LLP**				
	As at April 11, 2018	31,90,831	12.93		
	At the end of the year March 31, 2019			31,90,831	12.38
15.	**Chayadeep Ventures LLP**				
	As at April 11, 2018	10,05,000	4.07		
	At the end of the year March 31, 2019			10,05,000	3.90
16.	**Agnus Capital LLP**				
	As at April 11, 2018	8,49,635	3.44		
	At the end of the year March 31, 2019			8,49,635	3.30
17.	**Sequent Scientific Limited**				
	As at April 11, 2018	5,52,083	2.24		
	At the end of the year March 31, 2019			5,52,083	2.14
18.	**Chayadeep Properties Private Limited**				
	As at April 11, 2018	2,75,730	1.12		
	Add: Market purchase on July 10, 2018	2,50,000	1.01	5,25,730	
	At the end of the year March 31, 2019			5,25,730	2.04
19.	**Devicam Capital LLP**				
	As at April 11, 2018	1,51,546	0.61		
	At the end of the year March 31, 2019			1,51,546	0.59
20.	**Karuna Ventures Private Limited**				
	As at April 11, 2018	3,333	0.01		
	Add: Market purchase on July 11, 2018	1,00,000	0.41	1,03,333	
	At the end of the year March 31, 2019			1,03,333	0.40
21.	**Agnus Holdings Private Limited**				
	As at April 11, 2018	72,181	0.29		
	At the end of the year March 31, 2019			72,181	0.28
22.	**Karuna Business Solutions LLP**				
	As at April 11, 2018	416			
	Add: Market purchase on July 12, 2018	11,705	0.05	12,121	
	Add: Preferential allotment – conversion of warrants on March 26, 2019	6,00,000	2.43	6,12,121	
	At the end of the year March 31, 2019			6,12,121	2.37

S No	Shareholder's Name	Shareholding details as at April 11, 2018		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
23.	**Triumph Venture Holdings LLP**				
	As at April 11, 2018	5,989	0.02		
	At the End of the year March 31, 2019			5,989	0.02

iv) Shareholding Pattern of Top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S No	Shareholder's Name	Shareholding as at April 11, 2018	% of total shares of the company	Cumulative Shareholding as at March 31, 2019	% of total shares of the company
1	SBI Magnum Multiplier Fund	16,28,786	6.60	13,42,351	5.21
2	BNP Paribas Arbitrage	-	-	8,10,037	3.14
3	TIMF Holdings	7,51,788	3.05	7,51,788	2.92
4	HBM Healthcare Investments (Cayman) Ltd	-	-	6,11,806	2.37
5	Unit Trust of India Investment Advisory Services Ltd	5,65,535	2.29	5,65,535	2.19
6	Route One Offshore Master Fund L.P.	3,92,625	1.59	4,35,790	1.69
7	Raptakos Brett and Co. Ltd	-	-	3,74,567	1.45
8	Government Pension Fund Global	-	-	3,29,180	1.28
9	Mukul Agrawal	-	-	3,25,000	1.26
10	Route One Fund I, L.P.	3,56,854	1.45	3,14,619	1.22
11	Satpal Khattar	5,44,893	2.21	-	-
12	Karst Peak Asia Master Fund	4,30,504	1.74	-	-
13	DVI Fund Mauritius Ltd	3,73,211	1.51	-	-
14	DSP Blackrock Equity & Bond Fund	4,25,332	1.72	-	-

Note: The shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder

v) Shareholding of Directors and Key Managerial Personnel as at March 31, 2019

S No	Name of the Director and KMP	Shareholding as at April 11, 2018	% of total shares of the company	Cumulative Shareholding	% of total shares of the company
1	**Deepak C Vaidya**				
	As at April 11, 2018	29,948	0.12		
	Add: Market purchase during the year	52		30,000	
	At the end of the year March 31, 2019			30,000	0.12
2	**Nirmal P Bhogilal**				
	As at April 11, 2018	11,420	0.05		
	Add: Market purchase during the year	80,338		91,758	
	At the end of the year March 31, 2019			91,758	0.36
3	**R Ramakrishnan**				
	As at April 11, 2018	0.00			
	Add: Market purchase during the year	9,000		9,000	
	At the end of the year March 31, 2019			9,000	0.03
4	**Jitesh Devendra**				
	As at April 11, 2018	60,686	0.25		
	At the end of the year March 31, 2019			60,686	0.24
5	**S Hariharan**				
	As at April 11, 2018	1,641	0.01		
	At the end of the year March 31, 2019			1,641	0.01
6	**S Murali Krishna**				
	As at April 11, 2018	135	0.00		
	At the end of the year March 31, 2019			135	0.00
7	**B Sreenivasa Reddy**				
	As at April 11, 2018	857	0.00		
	At the end of the year March 31, 2019			857	0.00

Note: Mr Ronald Tjeerd De Vries and Dr Kausalya Santhanam do not hold any shares in the Company as on March 31, 2018 and March 31, 2019.

V. INDEBTEDNESS:

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

Particulars	Secured loans excluding deposits ₹ In Mn	Unsecured Loans ₹ In Mn	Deposits ₹ In Mn	Total Indebtedness ₹ In Mn
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,328.72	-	-	6,328.72
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11.39	-	-	11.39
Total (i+ii+iii)	**6,340.11**	**-**	**-**	**6,340.11**
Change in Indebtedness during the financial year				
Additions	977.56	-	-	977.56
Amortisation of processing fees	(57.21)	-	-	(57.21)
Exchange gain/(loss)	(67.46)	-	-	(67.46)
Reduction	(1,801.07)	-	-	(1,801.07)
Net Change	**(948.18)**	**-**	**-**	**(948.18)**
Indebtedness at the end of the financial year				
i) Principal Amount	5,380.54	-	-	5,380.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.78	-	-	4.78
Total (i+ii+iii)	**5,385.32**	**-**	**-**	**5,385.32**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No	Particulars of Remuneration	Name of MD / WTD/ Manager		Total Amount (₹ in Mn)
		Jitesh Devendra April 1, 2018 to Mar 31, 2019 (₹ in Mn)	S Hariharan April 1, 2018 to Mar 31, 2019 (₹ in Mn)	
1.	Gross Salary			
	Salary as per provision contained in section 17(1) of the Income Tax Act, 1961*	17.17	12.53	29.70
	Value of perquisites under section 17(2) of the Income Tax Act, 1961	-	-	-
	Profit in lieu of Salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as percentage of profit	-	-	-
5.	Others (Bonus)**	21.82	4.61	26.43
	Total	**38.99**	**17.14**	**56.13**

Maximum managerial remuneration available to Managing Director and Whole-time Director @10% of profits calculated under Section 198 of the Companies Act, 2013 is ₹ 66.98 Mn

* includes Company`s contribution towards Provident Fund.

**includes previous year bonus paid during the year.

B. Remuneration to other directors:

S. No	Name of Directors	Particulars of remuneration			
		Fee for attending board / committee meetings (₹ in Mn)	Commission (₹ in Mn)	Others (₹ in Mn)	Total amount (₹ in Mn)
1	Deepak C Vaidya	1.10	-	-	1.10
2	R. Ramakrishnan	1.10	-	-	1.10
3	Nirmal P Bhogilal	1.10	-	-	1.10
4	Jagdish V Dore*	0.40	-	-	0.40
5	Kausalya Santhanam	1.10	-	-	1.10
6	Ronald Tjeerd de Vries**	0.40	-	-	0.40
	Total	**5.20**	**-**	**-**	**5.20**

Maximum managerial remuneration available to Non-Executive Directors @1% of profits calculated under Section 198 of the Companies Act, 2013 is ₹ 6.70 Mn

*resigned with effect from August 03, 2018
**appointed with effect from October 30, 2018

C. Remuneration to Key Managerial Personnel, Other than MD / Manager / WTD:

S. No	Particulars of Remuneration	B. Sreenivasa Reddy (Chief Operating Officer)	S. Murali Krishna (Company Secretary)	Total
1.	Gross Salary	(₹ in Mn)	(₹ in Mn)	(₹ in Mn)
	Salary as per provision contained in section 17(1) of the Income Tax Act, 1961*	10.59	3.86	14.45
	Value of perquisites under section 17(2) of the Income Tax Act, 1961	-	-	-
	Profit in lieu of Salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as percentage of profit	-	-	-
5.	Others (Bonus)	4.61	0.23	4.84
	Total	**15.20**	**4.09**	**19.29**

* includes Company`s contribution towards PF.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties / punishments / compounding of offences during the year ended March 31, 2019.

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

S. Hariharan
Executive Director-Finance and Chief Financial Officer

Place: Bengaluru
Date: 16.05.2019

ANNEXURE 4 TO THE BOARD'S REPORT

Statement as per Section 134 (3)(m) of Companies Act, 2013

A.	POWER & FUEL CONSUMPTION		Year ended 31.03.2019	Year ended 31.03.2018
	Electricity			
a.	**Purchased Units**	in 000's	41,003	18,028
	Total amount paid	₹ in Mn	326.89	145.57
	Rate per Unit	₹	7.97	8.08
b.	**Own generation by**			
I.	Diesel Generators (Units)	in 000's	1,476	737
	Unit per Ltr. of Diesel Oil		2.50	3.65
	Rate per unit	₹	24.27	16.35
II.	Windmills (Units)	in 000's	16,661	6,155
	Amount adjusted	₹ in Mn	83.02	32.92
	Rate per Unit	₹	4.98	5.35
III.	Coal (Units)	in 000's	-	3,495
	Amount adjusted	₹ in Mn	-	19.15
	Rate per Unit	₹	-	5.48
III.	Third Party (IEX)	in 000's	12,765	5,450
	Amount Adjusted	₹ in Mn	48.17	22.42
	Rate per Unit	₹	3.77	4.11
Others				
	Fuel Briquittees/Furnace Oil	Kgs in 000's	35,063	19,609
	Total amount paid	₹ in Mn	215.66	113.48

(B) TECHNOLOGY ABSORPTION:

Efforts are being made to absorb the technology.

(C) BEST EHS PRACTICES:

(i) Received 4-star rating for committing to EHS practices in the CII-SR EHS Excellence awards for the year 2018 for Cuddalore and Puducherry units.

(ii) Received IGBC green interior – platinum award at SRB – Bengaluru from Indian green building council.

(iii) ISO 45001 Occupational health and Safety Management system certification audit for Puducherry and Cuddalore site successfully completed.

(D) EXPENDITURE ON RESEARCH AND DEVELOPMENT:

₹ in Million

Particulars	Total as at 31.03.2019	Total as at 31.03.2018
Capital	566.75	222.98
Recurring*	448.33	82.19

*Excludes depreciation and interest

(E) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information on foreign exchange earnings and outgo

₹ in Million

Particulars	Year ended March 31, 2019
Foreign exchange earned in terms of actual inflows	11,092
Foreign exchange outgo in terms of actual outflows	5,907

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

S. Hariharan
Executive Director-Finance and
Chief Financial Officer

Place: Bengaluru
Date: 16.05.2019

ANNEXURE 5 TO THE BOARD'S REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,
The Members,
M/s. Solara Active Pharma Sciences Limited.

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Solara Active Pharma Sciences Limited** (hereinafter called "the Company") bearing Corporate Identification Number **L24230MH2017PLC291636**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification, of M/s. Solara Active Pharma Sciences Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; During the financial year under review the Company has not issued any debt securities and hence not applicable;

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; The Company is not registered as Registrar to issue and Share Transfer Agent during the financial year under review and hence not applicable.

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable during the financial year under review as the Company has not delisted its equity shares from any stock exchange; and

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; The Company has not bought back any of its securities during the financial year under review and hence not applicable;

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

(vi) Other laws applicable specifically to the Company

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

I further report that the applicable Tax Laws, such as Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory auditor and by other designated professionals.

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

I further report that:

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b) Adequate Notice is given to all Directors to Schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) Majority decision is carried through where there were no dissenting members.

I further report that there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, rules, regulations and guidelines.

I further report that during the audit period, the following major transactions were identified: -

(i) The Company has Issued and Allotted 2,46,74,267 Equity Shares on 11.04.2018 to the Shareholders of Strides Shasun Limited and Sequent Scientific Limited pursuant to the Composite Scheme of Arrangement between Strides Shasun Limited, Sequent Scientific Limited and Solara Active Pharma Sciences Limited ("the Company") and their respective shareholders and creditors. The Scheme was approved by Hon'ble National Company Law Tribunal, Mumbai Bench vide Order dated 09th March 2018. The Scheme became effective on 31st March 2018.

(ii) The Company has listed its Equity Shares on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and received final Listing/ Trading Approval on 25th June 2018 and Trading on the Equity Shares of the Company commenced on 27th June 2018.

(iii) The Company has obtained the approval of Shareholders by way of Special Resolution vide Annual General Meeting of the Company held on 28th September 2018 for "Solara Employee Stock Option Plan 2018" for the grant of Options to the employees of the Company and to its Subsidiary Companies.

(iv) The Company has obtained the approval of Shareholders by way of Special Resolution through Postal Ballot dated 23rd November 2018 for Amendment to the "Solara Employee Stock Option Plan 2018".

(v) the company has obtained approval of shareholders by way of ordinary resolution through postal ballot dated August 10, 2018 for 100% investment in Strides Chemicals Private Limited.

(vi) The Company has submitted a Draft Scheme of Merger between Strides Chemicals Private Limited and Solara Active Pharma Sciences Limited ("the Company") and their respective shareholders with Hon'ble National Company Law Tribunal, Mumbai Bench on 21st December 2018. Strides Chemicals Private Limited is a Wholly Owned Subsidiary of the Company.

(vii) The Company has obtained the approval of Shareholders by way of Special Resolution vide Extra-Ordinary General Meeting of the Company held on 27th February 2019 for Issue of Convertible Warrants on Preferential Basis.

(viii) The Company has obtained the approval of Shareholders by way of Ordinary Resolution vide Annual General Meeting of the Company held on 28th September 2018 for Approval for entering into Transactions with Strides Pharma Science Limited (Related Party).

(ix) The Company has obtained the approval of Shareholders by way of Ordinary Resolution through Postal Ballot dated 29th March 2019 for Approval for Increasing the Total Value of the Transactions with Strides Pharma Science Limited (Related Party).

For **Mohan Kumar & Associates**

A. Mohan Kumar
Practicing Company Secretary
Place: Chennai. Membership Number: FCS 4347
Date: 09.05.2019 Certificate of Practice Number: 19145

This Report is to be read with my testimony of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure to Secretarial Audit Report

To,
The Members,
M/s. Solara Active Pharma Sciences Limited.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I have followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.

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

For **Mohan Kumar & Associates**

A. Mohan Kumar
Practicing Company Secretary
Membership Number: FCS 4347
Certificate of Practice Number: 19145

Place: Chennai.
Date: 09.05.2019

ANNEXURE 6 TO THE BOARD'S REPORT

Profile of the Appointee Directors

S No	Name of the Director and other particulars	Brief Profile and experience	Other Directorships Held	Committee Membership held
1	Name: Deepak C. Vaidya, (DIN: 00337276) Category: Non-Executive Director Age: 74 Qualification: Chartered Accountant Terms and Conditions of appointment: As per the resolution at Item No. 5 of the Notice convening this meeting Date of first appointment on the Board: April 11, 2018 Shareholding as on March 31, 2019: 30,000 equity shares	Mr. Deepak C Vaidya is a fellow member of the Institute of Chartered Accountants in England and Wales. He has previously worked as the Country Head of Schroder Capital Partners (Asia) Pte. Ltd. for over 12 years. He is experienced in the corporate financial services industry in India and abroad. He is holding directorship in reputed companies	Stelis Biopharma Private Limited	a) Audit Committee b) Nomination & Remuneration Committee c) Allotment Committee
			UTI Capital Private Limited	a) Audit Committee (Chairman) b) Nomination & Remuneration Committee
			Indraprastha Medical Corporation Limited	Audit Committee
			Apollo Gleneagles Hospital Limited	a) Audit Committee (Chairman) b) CSR Committee (Chairman) c) Nomination & Remuneration Committee (Chairman)
			Marudhar Hotels Pvt Ltd	
			Strides Pharma Science Limited	a) Audit Committee b) CSR Committee c) Nomination & Remuneration Committee d) Stakeholders Relationship Committee (Chairman) e) Management Committee (Chairman)
			Suntec Business Solutions Private Limited	Audit Committee (Chairman)
			Bombay Oxygen Investments Limited	
			Spandana Sphoorty Financial Limited	a) Audit Committee b) Stakeholders Relationship Committee
2	Name: Ronald Tjeerd de Vries (DIN 08265610) Category: Independent Director Age: 51 Qualification: MSc. Chemical Engineering Terms and Conditions of appointment: As per the resolution at Item No. 6 of the Notice convening this meeting Date of first appointment on the Board: October 30, 2018 Shareholding as on March 31, 2019: NIL	Mr. Ronald Tjeerd de Vries (Ron) is a M.Sc. in Chemical Engineering and IMD executive Leadership Alumni. He has 25 years' experience in the MNC Corporate Sector in Pharma and Food Industries. Presently he is the Managing Director of RDV Consulting, based at Auckland (NZ).	NIL	NIL

S No	Name of the Director and other particulars	Brief Profile and experience	Other Directorships Held	Committee Membership held
3	Name: Ankur Nand Thadani (DIN 03566737), Age: 35 Category: Non-Executive Director Qualification: MBA from the Indian Institute of Foreign Trade (IIFT) Terms and Conditions of appointment: As per the resolution at Item No. 7 of the Notice convening this meeting Date of first appointment on the Board: May 16, 2019 Shareholding as on March 31, 2019: NIL	Mr. Ankur Thadani is a Principal at TPG Growth, based in Mumbai. He joined TPG in 2013 and has worked on multiple investments in Healthcare, Energy and Consumer sectors across India and the broader South-Asia region. Ankur also serves on the board of CTSI, Rhea Healthcare, Fourth Partner Energy and Asiri Hospitals. Prior to joining TPG, he worked with an Indian private equity fund, India Equity Partners, focusing on investments in consumer and healthcare sectors. Ankur received his MBA from IIFT, where he was awarded a Gold Medal for all-round achievement.	Cyberabad Citizens Health Services Private Limited American Institute of Pathology and Laboratory Sciences Private Limited Cancer Treatment Services Hyderabad Private Limited Rhea Healthcare Private Limited Artmed Healthcare Private Limited Fourth Partner Energy Private Limited	NIL
4	Name: Jitesh Devendra (DIN 06469234) Age: 41 Category: Executive Director Qualification: B.Com., MBA (International Business and Buyer Behavior) Terms and Conditions of appointment: As per the resolution at Item No. 3 of the Notice convening this meeting Date of first appointment on the Board: Since the incorporation of Company Shareholding in the Company as on March 31, 2019: 60,687	Mr. Jitesh having more than 20 years' experience and has led the North America API business as well as managed the Formulations P&L business of erstwhile Shasun Pharmaceuticals Limited, which got merged with Strides Shasun Limited. His efforts have led the Division into new markets; forging business relationship and introduction of new Products for out-licensing and partnership. Post-Merger, Jitesh has been responsible for P&L business for North America and Europe Finished Dosage Form (Regulated Markets-Region 1) and overall responsible for API business P&L.	NIL	NIL

Notes:

a) None of the Directors mentioned above are related with other Directors on the Board or Key Managerial Personnel of the company.

b) For other details such as number of meetings of the Board attended during the year, remuneration drawn in respect of the aforesaid Directors, refer to the Corporate Governance Report which forms part of this Annual Report.

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

S. Hariharan
Executive Director-Finance and Chief Financial Officer

Place: Bengaluru
Date: 16.05.2019

ANNEXURE 7 TO THE BOARD'S REPORT

Details pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S No	Particulars	Disclosure
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ending March 31, 2019	As at March 31, 2019 the Board comprised of 7 Directors - comprising of two Executive Directors, four Independent Directors and one Non-Executive Director. The Non-Executive & Independent Directors receive sitting fees of ₹ 100,000/- for attending each meeting of the Board and Audit Committee. They do not receive any other form of remuneration. The ratio of remuneration of the Executive Directors of the Company to the median remuneration of the employees of the Company for the financial year ended March 31, 2019 are as below: Mr Jitesh Devendra, Managing Director – Finance 1: 49.9 Mr S Hariharan, Executive Director – Finance and Chief Financial Officer -1: 26.7 The median remuneration for the period under review is ₹ 548,622/- per annum (without considering the Sitting Fees paid to Non-Executive & Independent Directors of the Company).
2	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Company Secretary in the financial year ending March 31, 2019:	Mr. Jitesh Devendra, Managing Director: 6.2% Mr. S Hariharan, Executive Director – Finance and Chief Financial Officer: 9.3% Mr. B. Sreenivasa Reddy, Chief Operating Officer: 6.0% Mr. Murali Krishna, Company Secretary: 7.3%
3	The percentage increase in the median remuneration of employees in the financial year ending March 31, 2019	2.55%
4	The number of permanent employees on the rolls of Company as at March 31, 2019	2,054 Employees
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average annual increase across the organisation was around 8.68%.

The Company affirms remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

S. Hariharan
Executive Director-Finance and
Chief Financial Officer

Place: Bengaluru
Date: 16.05.2019

ANNEXURE 8 TO THE BOARD'S REPORT

Compliance Certificate on Corporate Governance

To
The Members of Solara Active Pharma Sciences Limited

We have examined the compliance of conditions of Corporate Governance by **M/s. Solara Active Pharma Sciences Limited** (hereinafter referred to as 'the Company'), for the year ended March 31, 2019 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Mohan Kumar & Associates

A. Mohan Kumar
Practicing Company Secretary
Membership Number: FCS 4347
Certificate of Practice Number: 19145

Place: Chennai
Date: 10.05.2019

ANNEXURE 9 TO THE BOARD'S REPORT

Disclosures in compliance with Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 are set out below:

ESOP DISCLOSURES

S No	Description	Disclosure
1	Name of the Scheme	Solara Employee Stock Option Plan 2018 (Solara ESOP 2018)
2	Date of approval of the ESOP Scheme by Shareholders	September 28, 2018
3	Options available under the Scheme	12,28,778
4	Pricing formula	Decided by the Nomination and Remuneration Committee from time to time
5	Outstanding options	12,28,778
6	Options granted during the year under review	8,45,000
7	Options vested during the year under review	NIL
8	Options exercised during the year under review	NIL
9	Total number of shares arising as a result of exercise of options	NIL
10	Options lapsed / surrendered during the year under review	NIL
11	Variation of terms of options	vesting schedule has been varied in certain cases.
12	Money realised by exercise of options	NIL
13	Total number of options in force at the end of the period ending March 31, 2019	8,45,000
14	Available for further grant	3,83,778
15	Employee-wise details of options granted during the year under review	
	(i) Key Management Personnel	7,25,000
	(ii) Any other employee who received grant in any one year of option amounts to 5% or more of options during the year	NIL
	(iii) Identified employees who were granted options, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant	Mr Jitesh Devendra, Managing Director
16	Diluted Earnings Per Share (DEPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (IND AS) - 33 – Earnings Per Share	
	(i) Continuing Operations	₹ 25.84
	(ii) Discontinued Operations	₹ (3.11)
17	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the option, shall be disclosed. The impact of the difference on profits and EPS of the Company shall be disclosed.	The Compensation cost has been accounted under fair value.
18	Weighted Average exercise price of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	₹ 205/-
19	A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted average information:	The fair value of options granted were estimated on the grant date using the Black Scholes method.

Scheme	ESOP 2018				
	Lot 1	Lot 2	Lot 3	Lot 4	Lot 5
Grant date	01-Oct-18	01-Oct-18	01-Oct-18	30-Nov-18	30-Nov-18
Exercise Price	₹ 205	₹ 205	₹ 205	₹ 205	₹ 205
Risk free interest rate	8.00%	8.00%	8.00%	8.00%	8.00%
Expected life	1 Year	2 Years	3 Years	1 Year	2 Years
Expected annual volatility of shares	39.13%	39.13%	39.13%	39.13%	39.13%
Expected dividend/ yield	0.00%	0.00%	0.00%	0.00%	0.00%
The price of the underlying share in market at the time of option grant	₹ 265.97	₹ 265.97	₹ 265.97	₹ 297.86	₹ 297.86

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

S. Hariharan
Executive Director-Finance and Chief Financial Officer

Place: Bengaluru
Date: 16.05.2019

ANNEXURE 10 TO THE BOARD'S REPORT

Form No. AOC-2

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

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

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

   During the year under review there were no contracts or arrangements or transactions which are not at arm's length basis.

2. Details of contracts or arrangements or transactions at arm's length basis

S No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Date of approval by the Board
1	Strides Pharma Science Ltd (Strides) – Enterprise owned by common promoters	Sale of API products, rendering of services and leasing of properties as per prevailing market prices	On going	The Company will supply Active Pharmaceutical Ingredients (Raw Materials) to Strides at prevailing market price up to a limit of ₹ 400 Crores for the financial year 2018-19	January 31, 2019
2	Strides Pharma Science Ltd (Strides) – Enterprise owned by common promoters	Investment in Strides Chemicals Private Limited, which is a wholly owned subsidiary of Strides Pharma Science Ltd	One-time investment	Acquisition of 100% stake in Strides Chemicals Private Limited for a consideration of ₹ 131 Crores and to make it as wholly owned subsidiary of the company	May 19, 2018

Note : Approval of shareholders have been obtained for the aforementioned material related party transactions.

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

S. Hariharan
Executive Director-Finance and
Chief Financial Officer

Place: Bengaluru
Date: 16.05.2019

CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as per the format prescribed by Securities and Exchange Board of India under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes in balancing the interests of many stakeholders, such as shareholders, management, customers, suppliers, financiers and government. Your Company is committed to good Corporate Governance, based on an effective independent Board, separation of supervisory role from the executive management and constitution of Committees to oversee critical areas thus upholding the standards practically at every sphere ranging from action plan to performance measurement and customer satisfaction.

All decisions are taken in the interest of the shareholders. The Board and the management are aware and conscious of minority shareholder's interest and everything is done to enhance shareholders' value. Hence, considerable emphasis is placed on accountability in decision-making and ethics in implementing them.

Adequate and timely information is critical to accountability. The Company believes to act in the spirit of law and not just the letter of law. We aim at providing complete transparency in our operations.

2. BOARD OF DIRECTORS:

Composition of Board as on date of this report

1. Mr. Deepak C Vaidya, Non-Executive Director and Chairman of the Company.
2. Mr. Nirmal P. Bhogilal, Independent Director
3. Mr. R. Ramakrishnan, Independent Director
4. Mr. Ronald Tjeerd de Vries, Independent Director
5. Dr. Kausalya Santhanam, Independent Director
6. Mr. Ankur Nand Thadani, Non-Executive Director
7. Mr. Jitesh Devendra, Managing Director
8. Mr. S. Hariharan, Executive Director-Finance and CFO

As on the date of this Report, the Board comprises of 8 Directors - Two Executive Directors, Four Independent Directors and Two Non-Executive Directors. The Chairman of the Board is a Non-Executive Director. All the directors on the Board are highly experienced in their respective fields.

The composition of Board of Directors of the Company is an appropriate combination of Executive and Non-Executive Directors. As on date the Board consists of eight directors with more than fifty percent of the Board being Non-executive directors

The Independent Directors of the Company fulfil the criteria of independence as specified in Section 149 (6) of the Companies Act, 2013 and Rules framed thereunder and Regulation 16 (1) (b) of the Listing Regulations. A formal letter of appointment as provided in the Act and the Listing Regulations has been issued to Independent Directors of the Company. Terms and Conditions of appointment of Independent Directors and the profile of Directors are disclosed on the website of the Company www.solara.co.in

Board Meetings held during the year

During the year ended March 31, 2019, 6 (Six) Board Meetings were held. These meetings were held on April 11, 2018, May 19, 2018, August 3, 2018, September 28, 2018, October 30, 2018, and January 31, 2019.

Composition of the Board and other Directorships:

Name	Category	No. of other Directorship held in other public companies	Name of the other Listed entities holding Directorship/ Designations	No. of Committee positions held in other public companies		No. of Board meetings during 2018-19		No. of shares held	Whether attended last AGM held on September 28, 2018
				Membership	Chairmanship	Held	Attended		
Mr. Deepak C Vaidya	Chairman & Non-Executive Director	5	Strides Pharma Science Limited – Non Executive Director Indraprastha Medical Corporation Limited – Independent Director Bombay Oxygen Investments Limited – Independent Director	5	3	6	6	30,000	Yes
Mr. Nirmal P Bhogilal	Independent Director	2	Eimco Elecon (India) Limited – Independent Director Batliboi Limited – Whole-time Director	2	-	6	6	91,000	Yes
Mr. R. Ramakrishnan	Independent Director	-	-	-	-	6	6	9,000	Yes
Mr Ronald Tjeerd de Vries*	Independent Director		-			6	2	-	NA
Dr. Kausalya Santhanam	Independent Director	1	Sequent Scientific Limited – Independent Director	2	1	6	6	-	Yes
Mr. Ankur Nand Thadani**	Non-Executive Director	-	-	-	-	6	NA	-	NA
Mr. Jitesh Devendra	Managing Director	-	-	-	-	6	6	60,687	Yes
Mr. S. Hariharan	Executive Director- Finance and CFO	-	-	-	-	6	6	1,641	Yes

* Appointed with effect from October 30, 2018

** Appointed with effect from May 16, 2019

Note:
No. of other directorships include directorships in Public Limited Companies and excludes Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act,2013.

The disclosure includes memberships and chairmanships in the Audit Committee and the Stakeholders Relationship Committee in public limited companies and excludes all other memberships and chairmanships in other committees.

None of the directors holds directorships in more than twenty companies including maximum limit of ten Public Companies, memberships in more than ten Committees in all Public Limited Companies excluding the committee memberships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 and chairmanships in more than five Committees across all listed companies in which he is a director.

None of the directors is related to any other Director in the Company. None of the Independent Directors serves as Independent Director in more than seven listed entities

Meetings of Independent Directors
Independent Directors of the Company met on October 30, 2018 without the presence of the Non-Independent and Executive Directors. The meetings of Independent Directors evaluate the performance of the Non-Independent Directors and Whole-time Directors, the Board as a whole, performance of the Chairperson of the Board and discuss aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board that is necessary for it to effectively and reasonably perform its duties.

Declaration by Independent Directors
The Company has received necessary declaration from each of the Independent Director that he/ she meets the criteria of independence as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 25 of Listing Regulations as at March 31, 2019.

Confirmation by the Board
Based on the disclosures received from all the independent Directors and also in the opinion of the Board, the Independent Directors fulfils the conditions specified in the Companies Act 2013 and Listing Regulations and are independent of the management.

Details of Remuneration paid to directors during the year under review is as follows:

S. No	Particulars of Remuneration	Name of MD / WTD (₹ in Mn)		
		Jitesh Devendra	S Hariharan	Total Amount
		April 1, 2018 to Mar 31, 2019	April 1, 2018 to Mar 31, 2019	
1.	Gross Salary			
	Salary as per provision contained in section 17(1) of the Income Tax Act, 1961*	17.17	12.53	29.70
	Value of perquisites under section 17(2) of the Income Tax Act, 1961	-	-	-
	Profit in lieu of Salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as percentage of profit	-	-	-
5.	Others (Bonus)**	21.82	4.61	26.43
	Total	**38.99**	**17.14**	**56.13**

* includes Company`s contribution towards Provident Fund. **includes previous year bonus paid during the year.

Remuneration to other directors:

S. No	Name of Director	Particulars of remuneration (₹ in Mn)	
		Fee for attending board / committee meetings	Total amount
1	Deepak C Vaidya	1.10	1.10
2	R. Ramakrishnan	1.10	1.10
3	Nirmal P Bhogilal	1.10	1.10
4	Jagdish V Dore*	0.40	0.40
5	Kausalya Santhanam	1.10	1.10
6	Ronald Tjeerd de Vries**	0.40	0.40
	Total	**5.20**	**5.20**

* Resigned with effect from August 3, 2018
** Appointed with effect from October 30, 2018

Familiarization programme for Independent Directors/ Non-Executive Directors

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize with Company's procedures and practices. Periodic presentations are made at the Board Meetings on regulatory updates, roles and responsibilities as a Director of the Company, updates on industry in which the Company operates and business model of the Company. The details on familiarization programme is disclosed on the website of the Company www.solara.co.in

The list of skills/expertise/competence identified by the Board of Directors as required in the context of its businesses and sectors

Part A: relating to Industry knowledge experience

1. Pharmaceutical Industry Experience
2. Global regulatory requirements
3. Knowledge about Peer Companies
4. Entrepreneurship
5. Environment/ Sustainability/ Corporate Responsibility

Part B: relating to Technical Skills

1. Strategy & Business Development
2. Quality Assurance
3. Finance, Accounting & Taxation
4. Statutory / Regulatory compliance
5. Human Resources / Industrial Relations
6. Risk Management & Mitigation
7. Stakeholder communication/ Investor Relations

3. Committees of the Board

The Board has constituted the following Board-level Committees on April 11, 2018, and reconstituted the Committees on May 16, 2019, namely:

a) Audit Committee
b) Nomination and Remuneration Committee
c) Stakeholders' Relationship Committee
d) Corporate Social Responsibility Committee

3. a) AUDIT COMMITTEE

The Composition of the Committee and the details of the meetings attended by its members during the financial year are given below: -

Name	Designation	Category of Directorship	Meetings held	Meetings attended
Mr. R. Ramakrishnan	Chairman	Independent Director	5	5
Mr. Nirmal P Bhogilal	Member	Independent Director	5	5
Mr Jagadeesh V Dore #	Member	Independent Director	5	2
Dr. Kausalya Santhanam	Member	Independent Director	5	5
Mr. Ronald Tjeerd de Vries *	Member	Independent Director	5	1
Mr. Deepak C Vaidya	Member	Non-Executive Director	5	5
Mr. Ankur Nand Thadani**	Member	Non-Executive Director	5	NA

* Appointed with effect from October 30, 2018
** Appointed with effect from May 16, 2019
# Resigned with effect from August 3, 2018

The Committee met five times during the period under review i.e., on April 11, 2018, May 19, 2018, August 3, 2018, October 30, 2018, and January 31, 2019. Attendance of members at the Committee Meeting is provided at above table. The meetings of the Audit Committee are also attended by Managing Director, Executive Director – Finance and Chief Financial Officer, Statutory Auditors and Internal Auditors. Mr. S. Murali Krishna, Company Secretary is the Secretary of Audit Committee.

Terms of reference of the Audit Committee:
Terms of reference of the Audit Committee, *inter alia*, includes the following:

Financial Statements:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Examination of the Company's financial statement and the Auditor's Report on the same.
- Discuss and review, with the management and auditors, the annual / quarterly financial statements before submission to the Board, with particular reference to:
    - matters required to be included in the director's responsibility statement to be included in the Board's Report under Section 134(3)(c) of the Companies Act, 2013;
    - disclosure of changes in accounting policies and practices and reasons for the same;
    - major accounting entries involving estimates based on the exercise of judgment by management;
    - significant adjustments made in the financial statements arising out of audit findings;
    - qualifications in the draft audit report, if any;
    - compliance with listing and other legal requirements relating to financial statements;
    - disclosure of any Related Party Transactions;
    - any modified opinion(s) in the draft audit report;
    - monitoring the end use of funds raised through public offers and related matters and make appropriate recommendations to the Board;
    - review of the management discussion and analysis of financial condition and results of operation;
    - review of utilisation of loans/advances/ investments by the Company in the Subsidiary Companies exceeding the limits as prescribed in the Listing Regulations.

Statutory Audit

- Discussion with the Statutory Auditors, before the audit commences in any given financial year, the scope of audit as well as post-audit discussion / review to ascertain any area of concern;
- Review with the Statutory Auditor any challenges / critical observations noted and the management's responses.
- Recommend to the Board the appointment, reappointment, removal of the Statutory Auditors, fixation of audit fee and approval for payment for any non-audit services rendered by the Statutory Auditors.
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- Review management letters / letters of internal control weaknesses issued by Statutory Auditors.

Internal Audit

- Review on regular basis the adequacy of internal audit function, the structure of the internal audit department, approval of the internal audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Review the appointment, removal and terms of remuneration of the Internal Auditor.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discuss with internal auditors any significant findings and follow up thereon.
- Review internal audit reports relating to the internal controls.

Internal Control

- Review with the management, statutory and internal auditors, the adequacy of internal control systems and related matters.
- Review management letters / letters of internal control weaknesses issued by Internal Auditors.

Compliance with regulatory requirements and policies;

- Review the effectiveness of the system for monitoring compliance with laws and regulations, and the results of management's investigation and follow-up of any instances of non-compliance.
- Review the findings of any examinations, inspections or audits by regulatory agencies and any adverse observations made by them.
- Examine the reasons for defaults in the payments to the shareholders in case of non-payment of declared dividends and creditors, if any.
- Evaluation of internal financial controls and risk management systems.
- Review the functioning of the whistle blower mechanism
- Review the financial statements of the Company's materially significant subsidiaries, in particular the investments made by the unlisted Indian subsidiary companies.

Related Party Transactions:

- Review statement of significant related party transactions submitted by the management.
- Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the following conditions:
  - The Committee must lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the Company and such approval is applicable in respect of transactions which are repetitive in nature.
  - The Committee must be certain of the need for such omnibus approval and that such approval is in the interest of the Company.
  - Such omnibus approval shall specify – the name of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into; the indicative base price and the formula for variation in the price, if any and such other conditions as the Audit Committee may deem fit.
  - For cases where the need for related party transaction cannot be foreseen and aforesaid details are not available, the Committee may grant omnibus approval for such transaction subject to their value not exceeding ₹ 1 crore per transaction.
  - The Committee must review the details of all related party transactions entered into by the Company pursuant to each of the omnibus approvals given, at least once every quarter.
  - Such omnibus approvals are valid only for a period of one year and will require fresh approval after the expiry of every one year.
  - Prior approval of any subsequent modification of transactions of the Company with related parties.

Vigil Mechanism:

- The vigil mechanism will provide adequate safeguards against victimization of employees / directors. It further acts as a mode of direct access to the Chairman of the Committee.
- The Committee may recommend suitable action to the management against persons making repeated frivolous complaints under this mechanism.

Others:

- Conduct meetings with the management to analyze the financial condition and results of operations.
- Approval of appointment of Chief Financial Officer
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary
- The Chairman of the Committee shall be present at Annual General Meeting to answer shareholder queries.
- The Committee must review the quarterly statement submitted to the Stock Exchanges, in compliance with Listing Agreement / Listing Regulations.
- The Committee must review the annual statement of funds utilized for any purpose other than those stated in the offer document / notice and the monitoring report of the monitoring agency appointed by the Company, if any.
- Reviewing material litigation and their impact on financial reporting.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

3. b)NOMINATION AND REMUNERATION COMMITTEE

The Composition of the Committee and the details of the meetings attended by its members during the financial year are given below: -

Name of the Director	Designation	Category of Directorship	Meetings held	Meetings attended
Mr. Nirmal P Bhogilal	Chairman	Independent Director	4	4
Mr. Deepak C Vaidya	Member	Non-Executive Director	4	4
Mr Jagadeesh V Dore #	Member	Independent Director	4	1
Mr. R. Ramakrishnan	Member	Independent Director	4	4
Mr. Ankur Thadani**	Member	Non-Executive Director	4	NA

Resigned with effect from August 3, 2018
** Appointed with effect from May 16, 2019

The Committee met four times during the period under review i.e., on April 11, 2018, August 3, 2018, October 1, 2018 and October 29, 2018. Attendance of members at the Committee Meeting is provided at above table. Mr. S. Murali Krishna, Company Secretary is the Secretary of the Committee.

Terms of reference of the Nomination and Remuneration Committee:

Terms of reference of the Nomination and Remuneration Committee, *inter alia*, includes the following:

- To formulate a criteria for determining qualifications, positive attributes and independence of a director
- To formulate a criteria for evaluation of performance of independent directors and the Board.
- Committee to carry out evaluation of every director's performance
- Committee to determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To formulate a criteria and evaluate the performance of various committees of the Board.
- Identify persons who are qualified to become directors and who may be appointed in senior management personnel in accordance with the criteria laid down in the policy.
- To recommend to the Board, a policy relating to remuneration of directors, KMPs and Senior Management Personnel.
- To recommend to the Board the appointment and removal of directors and senior management personnel, in accordance with the criteria laid down in the policy.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

Remuneration Policy

The Committee recommends the compensation package to the executive directors of the Company. The remuneration will include salary, perquisite, allowances and commission. The remuneration policy is directed towards rewarding performance based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Policy is available at the following link: http://solara.co.in/pdf/policies/Solara_Nomination_and_Remuneration_Policy.pdf

Performance Evaluation

Pursuant to provisions of the Companies Act,2013 and the Listing Regulations, the Board will carry out the annual performance evaluation of its own performance and the Directors including independent directors individually. The evaluation process focussed on various aspects of the functioning of the Board such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc.

3. c) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Composition of the Committee and the details of the meetings attended by its members during the financial year are given below: -

Name of the Director	Designation	Category of Directorship	Meetings held	Meetings attended
Mr. Nirmal P Bhogilal	Chairman	Independent Director	1	1
Dr. Kausalya Santhanam	Member	Independent Director	1	1
Mr. S. Hariharan	Member	Executive Director	1	1

The Committee met once during the period under review i.e., on January 31, 2019. Attendance of members at the Committee Meeting is provided at above table. Mr. S. Murali Krishna, Company Secretary is the Secretary of the Committee.

Terms of reference of the Stakeholders' Relationship Committee:

Terms of reference of the Stakeholders' Relationship Committee, *inter alia*, includes the following:

- To monitor and review grievances of securities holders including but not limited to complaints related to transfer/ transmission of shares, issue of duplicate share certificates, non-receipt of annual reports, non-receipt of declared dividends, general meetings, etc.
- To act as a delegated authority of the Board of Directors to expedite the process of share transfers
- The Chairman or any member of the Committee to attend the general meetings of the Company.
- To oversee the implementation of the Company's Code of Conduct for the prevention of Insider Trading in the securities of the Company.
- To authorise issue of share certificates, printing of share certificates and issue of duplicate share certificates.
- To review the measures taken for effective exercise of voting rights by shareholders
- To review the adherence to the service standards adopted by the company in respect of various services being rendered by the Registrars and Share Transfer Agent.
- To review the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of the dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Mr. S Murali Krishna, Company Secretary is the compliance officer of the company

Investor/ Shareholder Complaints received and disposed off during the year 2018-19

S No	Description	Opening balance at April 11, 2018	No. of cases Received during the year	Resolved & Disposed during the year	Pending as on March 31, 2019
1	Non-receipt of annual reports	-	26	26	-
2	Non-Receipt of Fractional shares entitlement	-	16	16	-
3	Non-receipt of securities	-	50	50	-
4	Non-receipt of securities after transfer	-	-	-	-
5	Non-receipt of duplicate/ transmission/ deletion of share certificates	-	1	1	-
6	SEBI Complaints (SCORES)	-	2	2	-
	Total	**-**	**95**	**95**	**-**

3. d) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Composition of the Committee and the details of the meetings attended by its members during the financial year are given below: -

Name of the Director	Designation	Category of Directorship	Meetings held	Meetings attended
Dr. Kausalya Santhanam	Chairperson	Independent Director	1	1
Mr. R. Ramakrishnan	Member	Independent Director	1	1
Mr. Ankur Thadani*	Member	Non-Executive Director	1	NA
Mr. Jitesh Devendra	Member	Executive Director	1	1

* Appointed with effect from May 16, 2019

The Committee met once during the period under review i.e., on October 29, 2018. Attendance of members at the Committee Meeting is provided at above table. Mr. S. Murali Krishna, Company Secretary is the Secretary of the Committee.

Terms of reference of the CSR Committee:
Terms of reference of the CSR Committee, *inter alia*, includes the following:

- The Committee shall have free access to management and management information and may seek the advice of outside experts or consultants at the company's expense where judged necessary, to discharge its duties and responsibilities.
- The Committee shall frame, review and recommend changes to the CSR policy and / or associated activities of the Company.
- The Committee shall monitor the adherence by the Company with the CSR policy
- The Committee shall ensure that the Company is taking the appropriate measures to implement the CSR activities as mentioned in the policy successfully.
- The Committee shall identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.
- The Committee shall review and reassess the adequacy of the Charter annually and recommend any proposed changes to the Board for approval.

4. GENERAL MEETINGS AND TRIBUNAL CONVENED MEETINGS HELD DURING THE PRECEDING THREE YEARS

The details of the General Meetings and Tribunal Convened Meetings held during the preceding three years and Special Resolutions passed therein are summarized as under:

S No	AGM / EGM / Tribunal Convened Meeting	Date & Time	Venue	Special Resolutions passed
1	EGM	March 20, 2017 at 2:00 p.m.	The Orchid Hotel No 70-C, Nehru Road, Vile Parle (East), Mumbai 400099	Change in name of the company
2	EGM	August 11, 2017 at 12:30 p.m	Strides House, Bilekahalli, Bannerghatta Road, Bangalore – 560076	1. Borrowing under Section 180 (1) (c) of the Companies Act 2013 2. Charging of assets of the company under Section 180 (1) (a) Companies Act 2013
3	Tribunal convened Meeting	December 27, 2017 at 3:00 p.m	Four Points by Sheraton, Plot No. – 39/1, 6 to 15, Sector – 30A, Vashi, Navi Mumbai – 400 701	Approval of the Composite Scheme of Arrangement between the Company, Strides Pharma Science Limited and SeQuent Scientific Limited and their respective shareholders
4	EGM	March 5, 2018 at 11:00 a.m	Strides House, Bilekahalli, Bannerghatta Road, Bangalore – 560076	1. Borrowing under Section 180 (1) (c) of the Companies Act 2013 2. Charging of assets of the company under Section 180 (1) (a) Companies Act 2013
5	EGM	March 26, 2018 at 3:00 p.m	'Batra Centre', 3rd & 4th Floor 28, Sardar Patel Road, Guindy, Chennai 600032,	Amendment to Articles of Association of the company
6	AGM for FY ending March 31, 2018	September 28, 2018, at 12:15 p.m	Four Points by Sheraton, Plot No. 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai 400 701	1. Appointment of Mr. Jitesh Devendra as Managing Director of the Company 2. Appointment of Mr. S. Hariharan as Executive Director-Finance of the Company 3. Approval of Solara Employees Stock Option Plan 2018 4. Approval of Solara Employee Stock Plan 2018 to the employees of subsidiary companies
7	EGM	February 27, 2019, at 10.00 a.m.	Four Points by Sheraton, Plot No. 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai 400 701	Issue of Convertible Warrants on Preferential Basis

Reconciliation of Share Capital Audit

The Company conducts a share capital audit on a quarterly basis in accordance with requirements of Securities and Exchange Board of India (Depositories and Participants) Regulations 1996 & SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated December 31, 2002

The Reconciliation of Share Capital Audit Report obtained from a Practicing Company Secretary, which has been submitted to the Stock Exchanges within the stipulated period, certifies that the equity shares of the Company held in the dematerialised form and in the physical form confirms to the issued and paid up equity share capital of the Company.

Secretarial Compliance Certificate

As per provisions of the Listing Regulations, the Company has obtained the Secretarial Compliance Certificate on half yearly basis from a Practicing Company Secretary to the effect that all transfer/ transmission of shares is effected within stipulated time. The certificate has been submitted to the Stock Exchanges within the prescribed time.

5. POSTAL BALLOT/ E-VOTING:

During FY 2018-19 the Company conducted Postal Ballot to seek the approval of the shareholders for the below mentioned items

Details of the Postal ballots conducted by the company during the year and its voting pattern

S No	Business conducted through postal ballot	Date of declaration of results	Voting Pattern	Scrutinizer for voting
1.	Investment in Strides Chemicals Private Limited (Ordinary Resolution) – Postal ballot notice dated July 6, 2018	August 10, 2018	Polled – 37,50,136 In favor – 37,49,859 constituting 99.99% Against – 277 constituting 0.00%	Mr Soy Joseph, Practicing Company Secretary
2.	Increasing the FPI Shareholding limit under Foreign Exchange Management Act, 1999 (Special Resolution) – Postal ballot notice dated July 6, 2018	August 10, 2018	Polled 37,49,916 In favor 37,49,833 constituting 99.99 % Against - 83 constituting 0.00 %	Mr Soy Joseph, Practicing Company Secretary
3.	Increasing the NRI / OCI Shareholding limit under Foreign Exchange Management Act, 1999 (Special Resolution) – Postal ballot notice dated July 6, 2018	August 10, 2018	Polled – 37,49,911 In favor – 37,49,667 constituting 99.99 % Against – 244 constituting 0.00%	Mr Soy Joseph, Practicing Company Secretary
4.	Approval for amendment to Solara Employee Stock Option Plan 2018 (Solara ESOP 2018) – Postal ballot notice dated October 5, 2018	November 23, 2018	Polled – 1,43,45,871 In favor – 1,15,21,199 constituting 80.31% Against – 28,24,672 constituting 19.68%	Mr S S Vignesh, Practicing Company Secretary
5.	Approval for the grant of options to the identified employees during any one year, exceeding one percent of the issued capital of the Company at the time of grant of options – Postal ballot notice dated October 5, 2018	November 23, 2018	Polled – 1,43,45,871 In favor – 1,15,21,199 constituting 80.31% Against – 28,24,672 constituting 19.68%	Mr S S Vignesh, Practicing Company Secretary
6.	Approval for increasing the total value of transactions with Strides Pharma Science Limited (formerly known as Strides Shasun Limited) for the financial year 2018-19 from ₹ 250 Crores to ₹ 400 Crores. – Postal ballot notice dated February 22, 2019	March 29, 2019	Polled - 57,19,008 In favor - 56,88,101 constituting 99.45% Against – 30,907 constituting 0.54%	Mr A Kumar Reddy, Practicing Company Secretary

6. PROCEDURE ADOPTED BY THE COMPANY FOR CONDUCTING POSTAL BALLOT

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to the shareholders whose names appear on the Register of Members/ list of beneficiaries as on respective cutoff date fixed for the particular postal ballot.

The Notice, together with the documents accompanying the same, will be sent to all the Members by email / courier whose names appear in the Register of Members/ list of Beneficial Owners as received from the National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) or Registrar and Share Transfer Agent ("Karvy") as on cut-off date at their respective registered/ last known address.

The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules

Voting rights are reckoned on the paid-up number of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms will be requested to return the forms, duly completed and signed, to the Scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode will be requested to vote before close of business hours on the last date of e-voting.

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with related Rules, the Company provides electronic voting (e-voting) facility to all its members. The Company engages the services of Karvy Fintech Private Limited ("Karvy") for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot form or through e voting.

The Scrutinizer submits his report to the Chairperson, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairperson/ authorised officer. The results will also be displayed on the Company website, www.solara.co.in. and also, on the website of Karvy i.e., https:// evoting.karvy.com, besides being communicated to BSE Limited and the National Stock Exchange of India Limited on which the shares of the Company are listed.

7. AFFIRMATIONS AND DISCLOSURES

a) The Company is in compliance with all the mandatory requirements as also a few non-mandatory requirements, as prescribed under Regulation 27(1) of the Listing Regulations like unmodified audit opinion on financial statements and appointment of separate persons to the posts of Chairman and Managing Director.

b) There are no materially significant related party transactions with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

The Company has formulated a policy for transacting with related parties, which is uploaded on the website of the Company. Transactions with the related parties are disclosed in the financial statements in the Annual Report.

c) The Company has formulated a whistle blower policy for directors and stakeholders of the Company. None of the personnel of the Company has been denied access to the audit committee.

d) The company has complied with all applicable mandatory requirements in terms of SEBI Listing Regulations.

e) As required under Listing Regulations, the company has formulated the policy for determining "Material Subsidiaries" which is uploaded in the website of the company. The Policy is available at the following link: http://solara.co.in/files/policies/Policy-for-determining-of-Material-Subsidiaries.pdf

f) The company is not exposed to any commodity price risk. The details of the foreign exchange risk and company's hedging activities forms part of the Management Discussion and Analysis Report and the Notes to the Financial Statement.

8. MEANS OF COMMUNICATION

Results:

The quarterly, half yearly and annual results are normally published in one leading national business newspaper (English) and in one vernacular (Marati) newspaper. The quarterly results and investor presentations are also hosted on the Company's website www.solara.co.in

Website:

The primary source of information regarding the operations of the Company is the corporate website: www.solara.co.in

It contains a separate dedicated section for Investor relations where the latest and updated information about financials/ activities of the Company are available. The website of the Company also displays official news releases and presentations made to the institutional investors and analysts from time to time.

News releases:

Official press releases are sent to the Stock Exchanges and is hosted on the website of the Company.

NSE Electronic Application Processing System (NEAPS)

All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre')

All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES)
SEBI administers a centralised web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online on the website www.scores.gov.in. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a compliant till its disposal are carried online at any time. The Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES.

Presentations to institutional investors/analysts:
Detailed presentations are made to institutional investors and analysts on a quarterly basis and the same is hosted on the website of the Company.

General Shareholder's information

1. **Annual General Meeting 2019**
The Second Annual General Meeting of the Shareholders of the company will be held on August 14, 2019 at 10.30 a.m. at Hotel Regenza By Tunga, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703.

2. **Book Closure**
The company's Register of Members and Share Transfer Books will remain closed from August 8, 2019 to August 14, 2019 (both days inclusive)

3. **Financial Calendar for the year 2019-20**

Financial reporting for	Month / year
Quarter ending June 30, 2019	August 2019
Quarter ending September 30, 2019	November 2019
Quarter ending December 31, 2019	February 2020
Quarter ending, March 31, 2020	May 2020

Dividend
The Board of Directors of the company had recommended a maiden dividend of ₹ 5/- per equity share of face value of ₹ 10/- each for the financial year ended March 31, 2019 subject to the approval of the shareholders of the company at the ensuing annual general meeting scheduled to be held on August 14, 2019.

Dividend, if approved by shareholders, will be paid within 30 days from the date of declaration of dividend. The Company provides the facility of payment of dividend to the shareholders by directly crediting the dividend amount to the shareholder's bank account and by way of dividend warrants. Members are requested to register and/or update their core banking details with the Company/ RTA/ Depository Participants, as the case may be, to enable credit of dividend to their bank accounts directly.

To prevent fraudulent encashment of dividend warrants, shareholders are requested to provide their bank account details (if not provided earlier) to the Company/its RTA (if shares held in physical form) or to DPs (if shares held in electronic form), as the case may be, for printing of the same on the dividend warrants.

4. **Registered Office:**
No.201, Devavarata, Sector 17, Vashi
Navi Mumbai – 400 703
Tel/Fax : 91-22-27892924 / 91-22-27892942

5. **Corporate Office & Address for Correspondence:**
'Batra Centre', 3rd & 4th Floor
28, Sardar Patel Road,
Guindy, Chennai 600032,
Tel/Fax : 91-44-43446700 / 91-44-22350278

6. **The Company's designated email id for investor complaints is:**
E- mail : investors@solara.co.in
Website : www.solara.co.in

7. **Company Secretary & Compliance Officer:**
S. Murali Krishna
28, Sardar Patel Road, Guindy,
Chennai - 600032
Tel/Fax : 91-44-43446700 / 91-44-22350278
E- mail : muralikrishna@solara.co.in / investors@solara.co.in

8. **Registrars & Share Transfer Agents:**
Karvy Fintech Private Limited
Karvy Selenium Tower B
Plot No. 31 & 32, Financial District,
Nanakramguda
Serilingampally Mandal, Hyderabad - 500032
Tel/Fax : 91-40-67161500 / 91-40-23420814
E- mail : svraju@karvy.com

Contact Persons:
Mr. S.V. Raju, Dy. General Manager / Mr. Mohan Kumar, Manager

9. **Share Transfer System**
The Company has appointed Karvy Fintech Private Limited, Hyderabad, as its Registrar and Share Transfer Agents to expedite the process of share transfers. All queries and requests relating to share transfers/ transmission may be addressed to Karvy. The share transfers lodged are being processed on a day-to-day basis and Memorandum of Transfers is generated on a fortnightly basis.

10. Method of Valuation for Solara ESOP 2018

The company adopted 'Black-Scholes Model' of valuation for the options issued under Solara Employee Stock Option Plan 2018 (Solara ESOP 2018). Notwithstanding the above, the Company may adopt any other method as may be required under prevailing applicable laws.

11. Dematerialisation of Shares

The Company has established connectivity with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar: Karvy Fintech Private Limited.

As on the date of this report, 99.89% of the paid-up share capital of the Company representing 2,57,46,075 shares is in dematerialized form and balance 0.11% representing 28,192 shares of the Company is in physical form.

Your Company confirms that the entire Promoter's holdings are in dematerialised form and the same is in line with the directions issued by SEBI.

12. Shareholding Pattern

Category	No. of Shares	% to total shareholding
Indian Promoters	10,452,270	40.55
Mutual Funds	1,519,218	5.89
Banks, Financial Institutions, Insurance Companies	24,239	0.09
Foreign Portfolio Investors / FIIs	4,474,983	17.36
Non-resident Indians/Foreign Nationals/OCBs	232,148	0.90
Bodies Corporates / NBFC	3,503,253	13.59
Directors	184,086	0.71
Others (including Indian Public, Clearing Members, Trusts, Funds, etc.)	5,384,070	20.89
Total	**25,774,267**	**100.00**

13. Distribution of shareholding

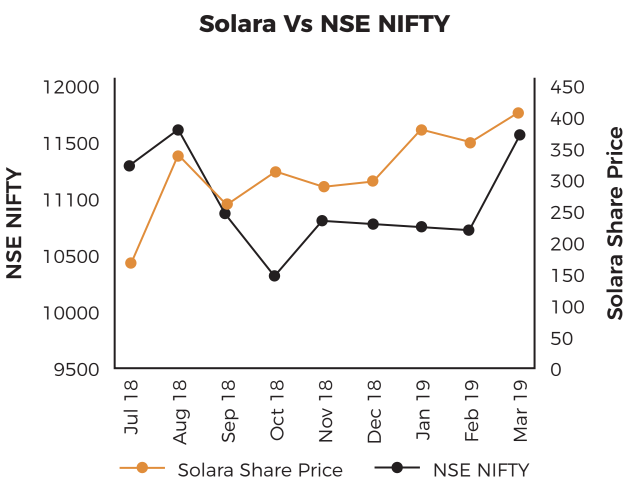
No. of shares		No. of	% to total no.	No. of	% to
From	To	Shareholders	of shareholders	Shares	Capital
1	5000	62,454	98.36	1,417,330	5.50
5001	10000	429	0.67	320,100	1.24
10001	20000	63	0.10	471,562	1.83
20001	30000	31	0.05	142,842	0.55
30001	40000	48	0.08	169,230	0.66
40001	50000	100	0.16	246,907	0.96
50001	100000	202	0.32	293,440	1.14
100001	Above	168	0.26	22,712,856	88.12
Total		**63,495**	**100.00**	**25,774,267**	**100.00**

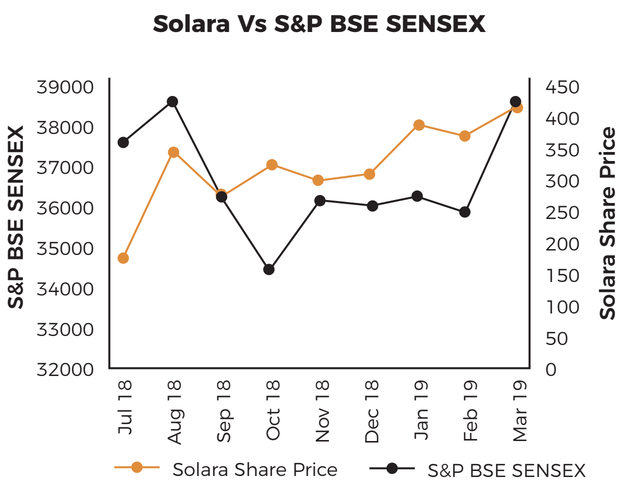
14. Market Price Data

The High and Low prices of the shares of the Company at National Stock Exchange of India Limited, Mumbai (NSE) and BSE Limited, Mumbai (BSE) for the period under review is as under:

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
June 2018	265.00	227.25	131,748	288.00	247.00	2,661
July 2018	215.90	134.50	38,27,539	234.65	133.50	1,090,166
August 2018	402.05	176.25	41,03,399	403.85	179.40	1,737,744
September 2018	360.95	257.75	27,41,365	360.00	257.65	787,499
October 2018	338.90	255.00	12,86,072	337.95	257.05	889,990
November 2018	324.45	290.00	8,06,477	330.00	290.15	146,683
December 2018	315.90	256.00	10,21,038	317.00	257.40	306,299
January 2019	407.85	298.10	21,40,952	407.15	298.75	270,035
February 2019	396.40	359.80	12,37,132	398.80	361.00	283,386
March 2019	461.00	375.00	17,12,138	459.80	377.25	455,134

Performance of Company's Share Price to Broad Based Index (BSE Sensex and NSE Nifty)





15. Details on Location of Factories:

Active Pharmaceutical Ingredient (API)

Puducherry: Mathur Road, Periakalapet, Puducherry – 605 014.

Cuddalore : A 1/B SIPCOT Industrial Complex, Kudikadu, Cuddalore – 607 005.

Mangalore : Plot No.120 A & B, 36, 120P & 121, Industrial Area, Baikampady, New Mangalore - 575011

Mysore : Plot Nos. 253 & 254, Thandya Industrial Area, Thandavapura, Mysore – 571 302

Ambernath: Plot No. N-39/ N-39-1, Anand Nagar, MIDC, Additional Ambernath, Ambernath (East), Mumbai – 421506.

Research & Development Centre

Chennai : No.27, Vandalur-Kelambakkam Road, Keezhakottaiyur, Chennai 600 048

Bangalore : No 11, First & Second Floor KIADB Industrial area Phase I Jigani, Bangalore - 560105

16. Listing on Stock Exchanges and Stock Codes

The names of the Stock Exchanges at which the securities of the Company are listed and the respective stock codes are as under:

S No	Name and Address of Stock Exchange	Security Listed	ISIN	Stock Code / Symbol
1	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	Equity Shares	INE624Z01016	541540
2	The National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	Equity Shares	INE624Z01016	SOLARA

The Company has paid listing fees to all the above stock exchanges and there is no outstanding payment as on date of this report.

17. Outstanding Convertible Warrants:

During the financial year 2018-19 the company after obtaining in principle approvals from the National Stock Exchange of India Limited and BSE Limited has issued and allotted 6,500,000 warrants to Promoters at ₹ 400/- each and 4,000,000 warrants to Non Promoter investor at ₹ 500/- each. The said warrants are convertible into equivalent number of equity shares within 18 months from date of issue of the warrants. The Company received 25% of the upfront amount of ₹ 1,150 Mn. towards allotment of convertible warrants from the allottees.

The company has also received balance 75% of the amount of ₹ 330 Mn. towards allotment of 1,100,000 equity shares pursuant to conversion of warrants from Promoter allottees.

As on date of this report there are 9,400,000 warrants are outstanding for conversion into equity shares, In the event, allottees do not exercise their right to convert the said outstanding warrants before the due date, the said convertible warrants (to the extent not lodged for conversion) shall lapse and the upfront consideration paid by the warrant holders shall stand forfeited by the company.

18. Details of utilization of funds raised through preferential allotment

The Company raised funds through preferential allotment for an amount of ₹ 1,480 Mn during the Financial year 2018-19. As at March 31, 2019, the amount raised through preferential allotment remains unutilised.

19. Details of total Fees paid to Statutory Auditor

The details of total fees for all the services paid by the company to the Statutory Auditor are as follows:

Type of Service	Fees paid for the year 2018-19 (₹ in Mn)	Fees paid for the year 2017-18 (₹ in Mn)
Statutory audit fee	5.00	5.00
Tax Audit Fee	0.50	0.50
Others	1.95	0.22
Total	**7.45**	**5.72**

20. Certification from practicing Company Secretary

The company has obtained a certificate from Mr A. Mohan Kumar, Practicing Company Secretary as required under Listing Regulations confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

21. Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This to inform that for the financial year ended March 31, 2019 all members of the Board and the Senior Management Personnel have affirmed in writing their adherence to the Code of Conduct adopted by the Company.

Place: Bengaluru
Date: 16.05.2019

Jitesh Devendra
Managing Director

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
SOLARA ACTIVE PHARMA SCIENCES LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of SOLARA ACTIVE PHARMA SCIENCES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Response to Key Audit Matter
Revenue recognition: Refer note 2.1(v) and note 25 of the Standalone financial statements. The Company's sales revenue mainly arose from sale of pharmaceuticals products, which are in the nature of API (i.e. Active Pharmaceutical Ingredient). The Company recognizes sales revenue based on the terms and conditions of transactions, which vary with different customers. For sales transactions in a certain period around balance sheet date, it is essential to ensure whether the transfer of control of the goods by the Company to the customer occurs before the balance sheet date or otherwise. Considering that there are significant volume of sales transactions close to the year end, involving material amounts and such revenue recognition is subject to whether transfer of control to the customers has occurred before the balance sheet date or otherwise, we consider the risk of revenue from sale of goods being recognised in the incorrect period, a key audit matter.	**Principal audit procedures performed:** We evaluated the design of internal controls over recognition of revenue in the appropriate period in accordance with the Company's accounting policy. On a sample basis, we tested the operating effectiveness of the internal control relating to determination of point in time at which the transfer of control of the goods occurs. We tested the relevant information technology systems used in recording revenue including company's system generated reports, based on which selection of samples was undertaken. On sample basis, we performed test of details of sales recorded close to the year end through following procedures: • Analysed the terms and conditions of the underlying contract with the customer, and • Verified evidence for transfer of control of the goods prior to the balance sheet date or otherwise from relevant supporting documents.

Key Audit Matter	Response to Key Audit Matter
Carrying value of Goodwill relating to Human API business: Refer note 5 of the standalone financial statements. The Company carries goodwill of ₹ 3,579.50 million as at March 31, 2019 arising from past acquisition of the Human API business of Sequent Scientific Limited (refer note 36.1 for details of acquisition of Human API business during the previous financial year). As indicated in note 2.1(xvi) to the standalone financial statements, the management of the Company assesses the impairment of goodwill annually. The carrying value of goodwill will be recovered through future cash flows and there is a risk of impairment loss where the actual future cash flows are less than expected. The impairment assessment performed by the Management contained a number of significant judgements and estimates including short and long-term growth rates and discount rate. We focused on this area because of the significance of the balance and the significant judgements and assumptions involved in impairment assessment by the Management about the future results of the Human API business.	**Principal audit procedures performed:** We assessed the Management's process for impairment assessment of goodwill. We performed testing of design and operating effectiveness of internal controls and substantive testing as follows: • Evaluated the design of the management's internal control around the impairment assessment process. • Understood the key assumptions considered in the management's estimates of future cash flows. • Involving our valuation specialists, we evaluated the short-term and long-term growth rates considered in the estimates of future cash flows and the discount rate used in the calculations. • Compared the historical cash flows (including for current year) against past projections of the management for the same periods and gained understanding of the rationale for the changes. • Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused our attention on those assumptions we considered most sensitive to the changes; such as –revenue growth and profitability during the forecast period, the terminal growth rate and the discount rate applied to the future cash flows. • We ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring. • We further assessed the adequacy of the disclosures made in the standalone financial statements for the year ended March 31, 2019.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

   b) In our opinion, proper books of account as required by law have been kept by the

Company so far as it appears from our examination of those books.

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

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

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

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

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

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

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

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sathya P. Koushik
Partner
Bengaluru, May 16, 2019 Membership No. 206920

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of SOLARA ACTIVE PHARMA SCIENCES LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sathya P. Koushik
Partner
Membership No. 206920

Bengaluru, May 16, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

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

(c) With respect to following immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us, we report that, the title deeds of such immovable properties are not held in the name of the Company as at the balance sheet date.

Particulars	Gross Block (₹ in Million as at March 31, 2019)	Net Block (₹ in Million as at March 31, 2019)
Freehold Land and building thereon	2220.07	2110.85
Investment Property - Land and building thereon	60.3	57.49

The above immovable properties were transferred to the Company pursuant to the Composite Scheme of Arrangement referred in Note 36.1.

(ii) As explained to us, the inventories were physically verified during the year ended March 31, 2019 by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year ended March 31, 2019.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Service Tax and Excise Duty which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of the Statue	Nature of Dues	Forum where dispute is pending	Period to which the Amount relates	Amount involved ₹ in million	Amount unpaid ₹ in million
Central Excise Act, 1944	Central Excise	Commissioner of GST & Central Excise	F.Y. 2011-12 to F.Y. 2017-18	27.40	27.40
Finance Act, 1994	Service Tax	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	F.Y. 2009-10 to F.Y. 2014-15	8.15	7.48
Central Excise Act, 1944	Central Excise	High Court of Madras	F.Y. 2003-04	3.43	3.09
Finance Act, 1994	Service Tax	Commissioner of Service Tax	F.Y. 2003-04 to F.Y. 2006-07	2.46	2.46
Central Excise Act, 1944	Cenvat Credit	Commissioner of Central Excise	F.Y. 2011-12 to F.Y. 2012-13	2.00	1.99
Finance Act, 1994	Service Tax	Commissioner of GST & Central Excise	F.Y. 2017-18	1.68	1.68
Central Excise Act, 1944	Cenvat Credit	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	F.Y. 2008-09 to F.Y. 2010-11	0.77	0.77
Central Excise Act, 1944	Cenvat Credit	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	F.Y. 2009-10 to F.Y. 2014-15	0.54	0.23

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

(ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year ended March 31, 2019, for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year ended March 31, 2019.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013

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

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment of warrants during the year under review.

In respect of the above issue, we further report that:

a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

(xv) In our opinion and according to the information and explanations given to us, during the year ended March 31, 2019, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sathya P. Koushik
Partner
Membership No. 206920

Bengaluru, May 16, 2019

STANDALONE BALANCE SHEET

as at March 31, 2019

₹ in Million

Particulars				Note No.	As at 31-Mar-19	As at 31-Mar-18
A	**ASSETS**					
I	**Non-current assets**					
	(a)	Property, Plant and Equipment		3(i)	6,371.45	5,974.49
	(b)	Capital work in progress		3(ii)	336.50	703.07
	(c)	Investment property		4	57.49	59.36
	(d)	Goodwill		5	3,583.82	3,583.82
	(e)	Other intangible assets		6	983.45	1,007.74
	(f)	Financial assets				
		(i)	Investments	7	1,491.30	185.29
		(ii)	Loans	8(i)	0.23	0.42
		(iii)	Other financial assets	9(i)	96.71	78.50
	(g)	Income tax assets (net)		10	23.99	26.01
	(h)	Other non-current assets		11(i)	259.04	467.65
	Total Non-current assets				**13,203.98**	**12,086.35**
II	**Current assets**					
	(a)	Inventories		12	2,016.27	1,876.60
	(b)	Financial assets				
		(i)	Trade receivables	13	2,689.47	2,633.48
		(ii)	Cash and cash equivalents	14	731.25	458.71
		(iii)	Other balances with banks	15	7.00	10.56
		(iv)	Loans	8(ii)	23.38	19.99
		(v)	Other financial assets	9(ii)	218.26	144.69
	(c)	Other current assets		11(ii)	458.52	941.31
	Total Current assets				**6,144.15**	**6,085.34**
	Total Assets (I + II)				**19,348.13**	**18,171.69**
B	**EQUITY AND LIABILITIES**					
I	**Equity**					
	(a)	Equity Share capital		16	257.74	246.74
	(b)	Other equity		17	9,399.63	7,451.92
	Total Equity				**9,657.37**	**7,698.66**
II	**Liabilities**					
1	**Non-current liabilities**					
	(a)	Financial Liabilities				
		(i)	Borrowings	18(i)	2,249.72	2,428.62
		(ii)	Other financial liabilities	19(i)	4.20	-
	(b)	Provisions		20(i)	86.65	73.15
	(c)	Deferred tax liabilities (net)		21	328.28	484.34
	(d)	Other non-current liabilities		22(i)	765.81	162.67
	Total Non-current liabilities				**3,434.66**	**3,148.78**
2	**Current liabilities**					
	(a)	Financial Liabilities				
		(i)	Borrowings	18(ii)	2,144.55	3,302.14
		(ii)	Trade payables			
			(A) total outstanding dues of micro enterprises and small enterprises	23	16.11	39.70
			(B) total outstanding dues of creditors other than micro enterprises and small enterprises	23	2,228.70	3,086.19
		(iii)	Other financial liabilities	19(ii)	1,618.19	675.70
		(b)	Other current liabilities	22(ii)	225.56	207.79
		(c)	Provisions	20(ii)	14.99	12.73
		(d)	Current tax liabilities	24	8.00	-
	Total Current liabilities				**6,256.10**	**7,324.25**
	Total Equity and liabilities (I + II)				**19,348.13**	**18,171.69**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director
DIN: 06469234

S Hariharan
Executive Director - Finance and Chief Financial Officer
DIN: 05297969

Sathya P. Koushik
Partner
Membership No.: 206920

Place : Bengaluru
Date : May 16, 2019

S Murali Krishna
Company Secretary
Membership No.: 13372

Place : Bengaluru
Date : May 16, 2019

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

₹ in Million

	Particulars	Note No.	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
A.	CONTINUING OPERATIONS:			
1	Revenue from operations	25	13,672.59	5,209.73
2	Other income	26	67.90	22.76
3	**Total Income (1+2)**		**13,740.49**	**5,232.49**
4	EXPENSES			
	(a) Cost of materials consumed	27	7,190.60	2,701.85
	(b) Purchase of stock-in-trade	28	90.75	40.54
	(c) Changes in inventories of finished goods and work-in-progress	29	(292.83)	(24.78)
	(d) Employee benefits expenses	30	1,799.17	675.59
	(e) Finance costs	31	824.16	251.34
	(f) Depreciation and amortisation expense	32	787.28	338.30
	(g) Other expenses	33	2,624.30	1,173.85
	Total expenses (4)		**13,023.43**	**5,156.69**
5	PROFIT / (LOSS) BEFORE TAX (3-4)		**717.06**	**75.80**
6	TAX EXPENSE	34		
	(a) Current tax		159.71	15.90
	(b) Deferred tax		(139.50)	(15.90)
	Total tax expense (6)		**20.21**	**-**
7	PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS (5-6)		**696.85**	**75.80**
B.	DISCONTINUED OPERATIONS:			
8	Profit / (Loss) from discontinued operations	37	(99.17)	(56.30)
9	Tax expense of discontinued operations	37	(22.39)	-
10	PROFIT / (LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS (8-9)		**(76.78)**	**(56.30)**
11	PROFIT / (LOSS) FOR THE PERIOD (7+10)		**620.07**	**19.50**
12	OTHER COMPREHENSIVE INCOME			
	Items that will not be reclassified to statement of profit and loss			
	Remeasurement of post employment benefit obligations - gain/(loss)	39	(20.46)	(2.51)
	Income tax relating to these items		7.08	-
	Total Other comprehensive Income		**(13.38)**	**(2.51)**
13	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (11+12)		**606.69**	**16.99**
14	EARNINGS PER EQUITY SHARE (OF ₹ 10/- EACH) (FOR CONTINUING OPERATIONS)	43		
	- Basic (₹)		25.88	6.77
	- Diluted (₹)		25.84	6.77
15	EARNINGS PER EQUITY SHARE (OF ₹ 10/- EACH) (FOR DISCONTINUED OPERATION)			
	- Basic		(3.11)	(5.03)
	- Diluted		(3.11)	(5.03)
16	EARNINGS PER EQUITY SHARE (OF ₹ 10/- EACH) (FOR CONTINUING & DISCONTINUED OPERATIONS)			
	- Basic		22.77	1.74
	- Diluted		22.73	1.74

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sathya P. Koushik
Partner
Membership No.: 206920

Place : Bengaluru
Date : May 16, 2019

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director
DIN: 06469234

S Hariharan
Executive Director - Finance and Chief Financial Officer
DIN: 05297969

S Murali Krishna
Company Secretary
Membership No.: 13372

Place : Bengaluru
Date : May 16, 2019

STANDALONE CASHFLOW STATEMENT

for the year ended March 31, 2019

₹ in Million

Particulars	31-Mar-19	31-Mar-18
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax from		
Continuing operations	717.06	75.80
Discontinued operations	(99.17)	(56.30)
Adjustments for:		
Depreciation and amortisation	793.43	365.56
Interest expense on loans	764.79	229.04
Share based compensation expenses	23.89	-
Rental income from investment property	(8.40)	-
Interest income	(16.42)	(3.30)
Liabilities / provisions no longer required written back	(24.45)	(8.21)
Profit on sale of property, plant and equipments	(4.21)	(2.19)
Provision for doubtful receivables and advances	5.02	4.69
Unrealised exchange (gain)/loss (net)	(21.97)	37.71
Operating profit before working capital changes	**2,129.57**	**642.80**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(276.82)	(269.39)
Trade receivables	(423.93)	(399.94)
Other assets (financial & non-financial)	400.20	10.22
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(562.91)	451.40
Other liabilities (financial & non-financial)	635.10	90.98
Cash generated from operations	**1,901.21**	**526.07**
Net income tax (paid) / refunds	(151.87)	(29.75)
Net cash flow from / (used in) operating activities (A)	**1,749.34**	**496.32**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure for property,plant and equipments and intangible assets, including capital advances	(573.13)	(348.59)
Acquisition of R&D business from Sovizen Life Sciences Private Limited (Refer note 36.2(b))	-	(509.00)
Acquisition of R&D business from Strides Pharma Science Limited (Refer note 36.2(a))	(347.56)	-
Rental income from investment property	8.40	-
Loan given to subsidiaries	(68.00)	-
Proceeds from sale of disposal of business (Refer note 37)	464.00	-
Proceeds from sale of fixed assets	6.94	1.00
Investment in Subsidiary (Refer note 7(i))	(759.00)	-
Proceeds from sale of investments in other entities	3.99	-
(Increase)/decrease in balance held as margin money	3.56	-
Interest received	13.99	1.67
Net cash flow from / (used in) investing activities (B)	**(1,246.81)**	**(854.92)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	440.00	0.10
Share issue expenses	(57.88)	-
Proceeds from issue of warrants	1,040.00	-
Proceeds from non-current borrowings	930.18	750.00
Repayment of non-current borrowings	(716.44)	(221.68)
Net increase / (decrease) in current borrowings	(1,094.45)	369.36
Interest paid	(771.40)	(224.20)
Net cash flow from / (used in) financing activities (C)	**(229.99)**	**673.58**
Net increase in cash and cash equivalents (A+B+C)	272.54	314.98
Cash and cash equivalents at the beginning of the period	458.71	-
Add: Cash and cash equivalents acquired on account of business combination	-	143.73
Cash and cash equivalents at the end of the year	**731.25**	**458.71**
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer note 14)	731.25	458.71
Cash and cash equivalents at the end of the year *	**731.25**	**458.71**
* Comprises		
Cash on hand	1.34	0.96
Balance with banks:		
- In current account	17.13	457.74
- In EEFC accounts	0.03	0.01
- In deposit account	712.75	-
Total	**731.25**	**458.71**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sathya P. Koushik
Partner
Membership No.: 206920

Place : Bengaluru
Date : May 16, 2019

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director
DIN: 06469234

S Hariharan
Executive Director - Finance and Chief Financial Officer
DIN: 05297969

S Murali Krishna
Company Secretary
Membership No.: 13372

Place : Bengaluru
Date : May 16, 2019

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

₹ in Million

Particulars	Amount
Balance as at February 23, 2017	-
Changes in equity share capital during the period	
- Issued pursuant to the scheme (Refer note 36.1)	246.74
Balance as at March 31, 2018	**246.74**
Changes in equity share capital during the year	
- Issued during the year (Refer note 16 vi)	11.00
Balance as at March 31, 2019	**257.74**

B. OTHER EQUITY

₹ in Million

Particulars	Share application money pending allotment	Reserves and Surplus				Total equity attributable to equity holders of the company
		Capital reserve	Securities premium account	Retained earnings	Share options outstanding account	
Balance as at February 23, 2017	-	-	-	-	-	-
Pursuant to the scheme (Refer note 36.1)	-	0.10	7,434.83	-	-	**7,434.93**
Profit for the period	-	-	-	19.50	-	**19.50**
Other comprehensive income for the period	-	-	-	(2.51)	-	**(2.51)**
Balance as at March 31, 2018	**-**	**0.10**	**7,434.83**	**16.99**	**-**	**7,451.92**
Share application money received on issue of warrants	1,480.00	-	-	-	-	**1,480.00**
Issue of shares pursuant to exercise of warrants	(440.00)	-	429.00	-	-	**(11.00)**
Share issue expenses (net of tax) (Refer note 17)	-	-	(57.88)	-	-	**(57.88)**
Profit for the year	-	-	-	620.07	-	**620.07**
Other comprehensive income for the year	-	-	-	(13.38)	-	**(13.38)**
Adjustment on account of transition to Ind AS 115 (Refer note 49)	-	-	-	(93.99)	-	**(93.99)**
Employee stock compensation expenses	-	-	-	-	23.89	**23.89**
Balance as at March 31, 2019	**1,040.00**	**0.10**	**7,805.95**	**529.69**	**23.89**	**9,399.63**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sathya P. Koushik
Partner
Membership No.: 206920

Place : Bengaluru
Date : May 16, 2019

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director
DIN: 06469234

S Hariharan
Executive Director - Finance and
Chief Financial Officer
DIN: 05297969

S Murali Krishna
Company Secretary
Membership No.: 13372

Place : Bengaluru
Date : May 16, 2019

1 BACKGROUND

Solara Active Pharma Sciences Limited, formerly known as SSL Pharma Sciences Limited, (hereinafter referred as "the Company") is a public limited Company incorporated on February 23, 2017 under the provisions of Companies Act, 2013 with the object of, inter alia, undertaking the business of manufacturing, production, processing, formulating, sale, import, export, merchandising, distributing, trading of and dealing in active pharmaceutical ingredients. The Company has its registered address at 201, Devavrata, Sector 17, Vashi, Navi Mumbai 400 703. Also, refer note 36.1 on Composite Scheme of Arrangement.

The standalone financial statements were approved by the Board of Directors and authorised for issue on May 16, 2019.

These financial statements comprise the Standalone Balance sheet of the Company, Standalone Statement of Profit and Loss (including Other Comprehensive Income) and Standalone Cash flow statement, Standalone statement of changes in equity and significant accounting policies and other explanatory information (together the "standalone financial statements).

2.1 Significant accounting policies

(i) Statement of compliance

These standalone financial statements have been prepared to comply in all material aspects with the 'Indian Accounting Standards' ("Ind AS") notified under Section 133 of the Companies Act, 2013(the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company, and other relevant provisions of the Act. Refer Note 36.1 for details of accounting for the Composite Scheme of Arrangement approved by National Company Law Tribunal.

(ii) Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as described in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(iii) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

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

(iv) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

(v) Revenue recognition

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government) and is recorded net of provisions for sales discounts and returns, which are established at the time of sale. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Where the collection of accounts receivable is expected to be after one year from the date of sale, revenues are discounted for the time value of money.

Sale of goods

The Company receives revenue for supply of pharmaceutical products to external customers against orders received. The majority of these contracts contain single performance obligation for supply of goods. The average duration of a customers' order is less than 12 months.

Revenue from sale of goods is recognised upon transfer of control to the customer. The point at which control passes depends on the terms set forth in the customer's contract. Generally, the control is transferred upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the product sold.

Sale of services

Revenue from development services is recognised on achievement of a development milestone and when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Revenue from fixed-price, fixed time frame contracts, where the performance obligations are satisfied overtime is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion, provided there is no uncertainty as to measurement or collectability of the consideration.

Royalties

Share of profits and royalty incomes under manufacturing and supply agreements with customers are accrued based on sales as confirmed by the customers.

(vi) Interest income

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

(vii) Export Incentives

Export incentives are accrued for based on fulfillment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/benefits from special import licenses and benefits under specified schemes as applicable.

(viii) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

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

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments.

The corresponding liability to the lessor is included in the standalone balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(ix) Foreign currencies transactions and translation

Items included in the standalone financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

(x) Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

(xi) Employee benefits

Short term obligations

Liabilities for wages and salaries, including other benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Retirement benefit costs and termination benefits

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the standalone balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Defined contribution plan

Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(xii) Taxation

The income tax expense or credit for the year is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Current and deferred tax for the period

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(xiii)Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

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

Freehold land is not depreciated.

The non refundable payments made with respect to Land taken on finance lease (where there is an option to purchase the same at the end of the lease period) is classified under Property, plant and Equipment as “”Lease hold Land.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed to be different and are as under based on technical advice, 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.:

Dies and moulds	: 4 years
Mobiles phone	: 3 years
Vehicles	: 5 years

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

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

(xiv) Investment property

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property are depreciated using the straight line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

(xv) Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Product portfolio	: 10 years
Software Licenses	: 3 - 5 years

(xvi) Impairment of assets

Impairment of financial assets:

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

Impairment of investment in subsidiaries

The Company reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Impairment of goodwill

For the purposes of impairment testing, goodwill is allocated to cash-generating units. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which such goodwill arose.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of non-financial assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

(xvii) Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Cost is determined as follows:

Raw materials, packing materials and consumables: weighted average basis

Work-in progress: at material cost and an appropriate share of production overheads

Finished goods: material cost and an appropriate share of production overheads

Stock-in trade: weighted average basis

(xviii) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

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

(xix) Contingent liabilities

Contingent liabilities are disclosed in notes when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(xx) Financial instruments

Investment in subsidiaries

The Company has accounted for its investments in subsidiaries at cost less impairment.

Other financial assets and financial liabilities

Other financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:

Other financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Subsequent measurement:

Financial assets at amortised cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss: Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Financial liabilities are measured at amortised cost using effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial assets and liabilities:

The Company derecognises the financial asset only when the contractual rights to the cashflows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of the ownership of the asset to the other entity . If the Company neither transfers nor retains substantially all risks and rewards of ownership and continues to control the transferred asset , the Company recognizes its retained interest in the asset and associated liability for the amounts it may have to pay . If the Company retains substantially all risks and rewards of the ownership of a transferred financial asset , the Company continues to recognize the financial asset and also recognizes a collaterized borrowing for the proceeds received. Financial liabilities are derecognised when these are extingushed , that is when the obligation is discharged, cancelled or has expired.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

(xxi) Operating Cycle

Based on 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. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

(xxii) Key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill and other non-financial assets

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a impairment loss may arise.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

Litigations

The Company is a party to certain indirect tax disputes. Uncertain tax items for which a provision is made relate principally to the interpretation of tax legislation applicable to arrangements entered into by the Company. Due to the uncertainty associated with such tax items, it is possible that, on conclusion of open tax matters at a future date, the final outcome may differ significantly.

(xxiii) Standards / amendments not yet effective

Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application either by:

  Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Certain practical expedients are available under both the methods.

The Company is currently assessing the impact on adoption of this standard on the Company's financial statements

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

The Company is evaluating the effect of the above on its financial statements.

Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Company is evaluating the effect of the above on its financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019.

The Company is currently evaluating the effect of this amendment on the financial statements.

NOTE NO. 3 (i) PROPERTY, PLANT AND EQUIPMENT

₹ in Million

Particulars	Gross block							Accumulated depreciation					Net block	
	As at 1-Apr-2018	Additions pursuant to the Scheme (Refer note 36.1)	Additions pursuant to business acquisition (Refer note 36.2)	Additions	Disposals	Derecognised on disposal of business (Refer note 37)	As at 31-Mar-2019	As at 1-Apr-2018	Depreciation expense for the period	Eliminated on disposal of assets	Eliminated on disposal of business (Refer note 37)	As at 31-Mar-2019	As at 31-Mar-2019	As at 31-Mar-2018
Land:														
- Freehold	548.04	-	-	21.76	-	-	569.80	-	-	-	-	-	569.80	548.04
	-	(542.80)	-	(5.24)	-	-	(548.04)	-	-	-	-	-	(548.04)	-
Leasehold Land under finance lease	-	-	-	185.15	-	-	185.15	-	1.71	-	-	1.71	183.44	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	132.11	-	-	10.87	-	-	142.98	7.34	27.42	-	-	34.76	108.22	124.77
	-	(12.12)	(119.99)	-	-	-	(132.11)	-	(7.34)	-	-	(7.34)	(124.77)	-
Buildings	1,712.91	-	-	66.65	0.29	107.24	1,672.03	38.36	74.84	0.05	3.93	109.22	1,562.81	1,674.55
	-	(1,535.73)	-	(177.18)	-	-	(1,712.91)	-	(38.36)	-	-	(38.36)	(1,674.55)	-
Plant and Machinery	3,647.58	-	247.31	701.18	1.71	190.05	4,404.31	190.29	499.10	0.17	25.67	663.55	3,740.76	3,457.29
	-	(3,249.11)	(54.20)	(344.27)	-	-	(3,647.58)	-	(190.29)	-	-	(190.29)	(3,457.29)	-
Furniture and fixtures	38.77	-	12.06	2.55	0.88	2.75	49.75	2.44	6.78	0.13	0.59	8.50	41.25	36.33
	-	(30.92)	(6.87)	(0.98)	-	-	(38.77)	-	(2.44)	-	-	(2.44)	(36.33)	-
Vehicles	7.84	-	-	-	-	0.09	7.75	1.06	2.02	-	0.02	3.06	4.69	6.78
	-	(7.84)	-	-	-	-	(7.84)	-	(1.06)	-	-	(1.06)	(6.78)	-
Office equipments	148.74	-	16.83	70.94	-	0.34	236.17	22.01	53.76	-	0.08	75.69	160.48	126.73
	-	(91.26)	(41.92)	(15.56)	-	-	(148.74)	-	(22.01)	-	-	(22.01)	(126.73)	-
Total	**6,235.99**	**-**	**276.20**	**1,059.10**	**2.88**	**300.47**	**7,267.94**	**261.50**	**665.63**	**0.35**	**30.29**	**896.49**	**6,371.45**	**5,974.49**
Previous year	**-**	**(5,469.78)**	**(222.98)**	**(543.23)**	**-**	**-**	**(6,235.99)**	**-**	**(261.50)**	**-**	**-**	**(261.50)**	**(5,974.49)**	**-**

Refer note 18 for properties pledged as security towards borrowings

NOTE NO. 3 (ii) CAPITAL WORK IN PROGRESS

₹ in Million

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Opening balance	703.07	-
Add: Pursuant to the scheme (Refer note 36.1)	-	535.28
Add: Pursuant to business acquisition (Refer note 36.2)	74.68	200.75
Less: Capitalised during the period (net)	(441.25)	(32.96)
Closing balance	**336.50**	**703.07**

NOTE NO. 4 INVESTMENT PROPERTY

₹ in Million

Particulars	Gross block							Accumulated depreciation					Net block	
	As at 1-Apr-2018	Additions pursuant to the Scheme (Refer note 36.1)	Additions pursuant to business acquisition (Refer note 36.2)	Additions	Disposals	Derecognised on disposal of business (Refer note 37)	As at 31-Mar-2019	As at 1-Apr-2018	Depreciation expense for the period	Eliminated on disposal of assets	Eliminated on disposal of business (Refer note 37)	As at 31-Mar-2019	As at 31-Mar-2019	As at 31-Mar-2018
Land	1.97	-	-	-	-	-	1.97	-	-	-	-	-	1.97	1.97
	-	(1.97)	-	-	-	-	(1.97)	-	-	-	-	-	(1.97)	-
Building	58.33	-	-	-	-	-	58.33	0.94	1.87	-	-	2.81	55.52	57.39
	-	(58.33)	-	-	-	-	(58.33)	-	(0.94)	-	-	(0.94)	(57.39)	-
Total	**60.30**	**-**	**-**	**-**	**-**	**-**	**60.30**	**0.94**	**1.87**	**-**	**-**	**2.81**	**57.49**	**59.36**
Previous year	**-**	**(60.30)**	**-**	**-**	**-**	**-**	**(60.30)**	**-**	**(0.94)**	**-**	**-**	**(0.94)**	**(59.36)**	**-**

(i) Details of Assets given under operating lease:

₹ in Million

Particulars	Gross Block		Net Block	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Building	58.33	58.33	55.52	57.39

(ii) Details of Assets held for capital appreciation:

₹ in Million

Particulars	Gross Block		Net Block	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Land	1.97	1.97	1.97	1.97

(iii) Fair value of Investment properties:

The Company obtains independent valuations for its investment properties once in three years. The latest fair valuation of these investment properties were carried out as at October 01, 2017 which indicated fair value of ₹ 59.64 million. The inputs used are as follows:

a) Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property; and

b) Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

(iv) Refer note 18 for properties pledged as security towards borrowings.

NOTE NO. 5 GOODWILL

₹ in Million

Particulars	As at 01-Apr-2018	Additions pursuant to the Scheme (Refer note 36.1)	Additions pursuant to business acquisition (Refer note 36.2)	As at 31-Mar-2019
Goodwill	3,583.82	-	-	3,583.82
	-	(3,579.50)	(4.32)	(3,583.82)
Total	**3,583.82**	**-**	**-**	**3,583.82**
Previous year	**-**	**(3,579.50)**	**(4.32)**	**(3,583.82)**

The above goodwill is allocated to the following cash generating units:

₹ in Million

	As at 31-Mar-2019	As at 31-Mar-2018
Human API business	3,579.50	3,579.50
R&D business	4.32	4.32
Total	**3,583.82**	**3,583.82**

Impairment assessment of goodwill allocated to the “Human API business” as at March 31, 2019:

The Management of the Company have performed annual impairment assessment of the goodwill by determining the “value in use” of this Cash Generating Unit (CGU) as an aggregate of present value of cash flow projections covering a five year period and the terminal value. Determination of value in use involves significant estimates and assumptions that affect the reporting CGU’s expected future cash flows. These estimates and assumptions, primarily include, but are not limited to, the revenue growth and profitability during the forecast period, the discount rate and the terminal growth rate.

Considering the historical performance of this business since acqusition and based on the forward looking estimates, revisions were made to the cash flow projections and other key assumptions such as discount rate and the terminal growth rate. The cash flows are discounted using a post tax discount rate of 12%. The terminal value of cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long term growth rate of 4% p.a. which is consistent with the industry forecasts for the generic API market.

The above assessment did not result in impairment in the carrying amout of goodwill.

The table below shows the percentage movement in key assumptions that (individually) would be required to reach the point at which the value in use approximates its carrying value.

	Movement
Terminal growth rate	3.25% decrease
Post tax discount rate	2% increase
Expected net revenue growth rates	11% decrease

NOTE NO. 6 OTHER INTANGIBLE ASSETS

₹ in Million

Particulars	Gross block							Accumulated Amortisation					Net block	
	As at 1-Apr-2018	Additions pursuant to the Scheme (Refer note 36.1)	Additions pursuant to business acquisition (Refer note 36.2)	Additions	Disposals	Derecognised on disposal of business (Refer note 37)	As at 31-Mar-2019	As at 1-Apr-2018	Amortisation expense for the period	Eliminated on disposal of assets	Eliminated on disposal of business (Refer note 37)	As at 31-Mar-2019	As at 31-Mar-2019	As at 31-Mar-2018
Product portfolio (Refer note (i) below)	1,055.00	-	-	1.45	-	-	1,056.45	52.75	106.61	-	-	159.36	897.09	1,002.25
	-	(1,055.00)	-	-	-	-	(1,055.00)	-	(52.75)	-	-	(52.75)	(1,002.25)	-
Software licenses	55.86	-	6.39	99.94	-	9.24	152.95	50.37	19.32	-	3.10	66.59	86.36	5.49
	-	(46.44)	-	(9.42)	-	-	(55.86)	-	(50.37)	-	-	(50.37)	(5.49)	-
Total	**1,110.86**	**-**	**6.39**	**101.39**	**-**	**9.24**	**1,209.40**	**103.12**	**125.93**	**-**	**3.10**	**225.95**	**983.45**	**1,007.74**
Previous year	**-**	**(1,101.44)**	**-**	**(9.42)**	**-**	**-**	**(1,110.86)**	**-**	**(103.12)**	**-**	**-**	**(103.12)**	**(1,007.74)**	**-**

Note (i) The remaining amortisation period of product portfolio as at March 31, 2019 is 8.5 years

NOTE NO. 7 INVESTMENTS

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
(A) Investments in subsidiaries (carried at cost less provision other than temporary diminution in value unless otherwise stated):		
Equity shares, unquoted		
Shasun USA Inc., USA		
- 15,000 (As at March 31, 2018 - 15,000) shares of USD 1 each fully paid up	0.54	0.54
Sequent Penems Private Limited, India		
- 4,038,436 (As at March 31, 2018 - 4,038,436) shares of ₹ 10 each fully paid up	143.00	143.00
Chemsynth Laboratories Private Limited, India		
- 3,362,745 (As at March 31, 2018 - 3,362,745) shares of ₹ 10 each fully paid up	33.63	33.63
Strides Chemicals Private Limited, India (Refer note (i) below)		
- 79,700,435 (As at March 31, 2018 - Nil) shares of ₹ 10 each fully paid up	1,310.00	-
Total [A]	**1,487.17**	**177.17**
(B) Investments carried at amortised cost:		
Equity shares, unquoted		
Beta Wind Farm Private Limited, India		
- Nil (As at March 31, 2018 - 334,276) equity shares of ₹ 10/- each, fully paid up	-	6.35
Tulysan Nec Limited, India		
- 3,750 (As at March 31, 2018 - 45,000) shares of ₹ 10 each fully paid up	0.11	1.35
Watsun Infrabuild Private Limited, India		
-3,60,361 (As at March 31, 2018 - Nil) equity shares of ₹ 10/- each, fully paid up	3.60	-
SIPCOT Industrial Common Utilities Limited, India		
- 4,242 (As at March 31, 2018 - 4,242) shares of ₹ 100/- each, fully paid up	0.42	0.42
Total [B]	**4.13**	**8.12**
Total [A+B]	**1,491.30**	**185.29**
Aggregate amount of unquoted investments	1,491.30	185.29
Aggregate amount financial assets carried at cost	1,487.17	177.17
Aggregate amount financial assets carried at amortised cost	4.13	8.12

Note (i): During the current year, the Company entered into a share purchase agreement with Strides Pharma Science Limited (formerly known as Strides Shasun Limited) and acquired 100% of the Investments in Strides Chemicals Private Limited for a consideration of ₹ 1310 million with effect from September 1, 2018 (acquisition date). Out of consideration of ₹ 1310 million, ₹ 759 million is paid as at the balance sheet date and balance of ₹ 551 million is yet to be settled.

The Board of Directors of the Company in their meeting held on September 28, 2018, have approved a Scheme of Amalgamation of Strides Chemicals Private Limited with the Company from the appointed date of September 1, 2018. The Scheme is subject to necessary regulatory approvals.

NOTE NO. 8 LOANS

(i) Non-current loans

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Loans receivable considered good - unsecured:		
Receivable from Employees	0.23	0.42
Total	**0.23**	**0.42**

(ii) Current loans

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Loans receivable considered good - unsecured:		
Receivable from Employees	23.38	19.99
Total	**23.38**	**19.99**

NOTE NO. 9 OTHER FINANCIAL ASSETS

(i) Non-current financial assets

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Unsecured, considered good:		
Security deposits	96.71	78.50
Total	**96.71**	**78.50**

ii) Current financial assets

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Unsecured, considered good:		
Interest accrued on deposit	4.05	1.62
Interest accrued on others	4.13	-
Loan to related parties	68.00	-
Incentives receivables	137.70	130.80
Others	4.38	12.27
Total	**218.26**	**144.69**

NOTE NO. 10 INCOME TAX ASSETS (NET)

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Advance income tax (net of provisions)	23.99	26.01
Total	**23.99**	**26.01**

NOTE NO. 11 OTHER ASSETS

(i) Other non-current assets

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Unsecured, considered good:		
Capital advances	106.15	277.15
Loan to related parties	23.50	23.43
Advances to other parties	75.50	75.50
Prepaid expenses	50.49	87.31
Balances with government authorities		
- VAT/CST refund receivable	3.02	3.02
- Taxes paid under protest	0.38	1.24
Unsecured, considered doubtful:		
Capital advances	3.89	1.98
Less: Allowances for doubtful advances	(3.89)	(1.98)
	-	-
Total	**259.04**	**467.65**

(ii) Other current assets

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Unsecured, considered good:		
Advances to suppliers of material	165.42	157.23
Advances to employees	3.51	2.10
Advances to related parties	13.71	171.73
Prepaid expenses	55.06	79.90
Balances with government authorities:		
- GST credit & other receivable	220.82	514.78
- VAT/CST refund receivable	-	15.57
Unsecured, considered doubtful:		
Advances to suppliers of materials	0.41	0.88
Less: Allowances for doubtful advances	(0.41)	(0.88)
	-	-
Total	**458.52**	**941.31**

NOTE NO. 12 INVENTORIES

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Raw materials	731.62	808.16
- Goods-in-transit	77.92	45.38
Work-in-progress	978.43	695.68
Finished goods	183.54	293.56
Stores and spares	44.76	33.82
Total*	**2,016.27**	**1,876.60**

* Value by which inventories have been written down to net realisable value amounted to ₹ 120.60 million (previous year: 72.07 million)

NOTE NO. 13 TRADE RECEIVABLES

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Trade receivables considered good - unsecured	2,689.47	2,633.48
Trade receivables - credit impaired	14.79	23.45
	2,704.26	2,656.93
Less: Allowances for doubtful receivables	(14.79)	(23.45)
Total	**2,689.47**	**2,633.48**

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

Movement in Expected credit loss allowance:

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Opening balance	23.45	-
Add: Pursuant to the scheme (Refer note 36.1)	-	23.45
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected	(8.66)	-
Closing balance	**14.79**	**23.45**

NOTE NO. 14 CASH AND CASH EQUIVALENTS

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Cash on hand	1.34	0.96
Balance with banks:		
- In current account	17.13	457.74
- In EEFC accounts	0.03	0.01
- In deposit account	712.75	-
Total	**731.25**	**458.71**

NOTE NO. 15 OTHER BALANCES WITH BANKS

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Balance held as margin money		
- against working capital facilities with banks	-	1.36
- against borrowings facilities with banks	7.00	9.20
Total	**7.00**	**10.56**

NOTE NO. 16 EQUITY SHARE CAPITAL

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Authorised		
40,000,000 Equity shares of ₹ 10/- each with voting rights	400.00	300.00
(March 31, 2018: 30,000,000 equity shares of ₹ 10/-)		
	400.00	**300.00**
Issued, subscribed and fully paid-up		
25,774,267 Equity shares of ₹10/- each with voting rights	257.74	246.74
(March 31, 2018: 24,674,267* equity shares of ₹ 10/-)		
Total	**257.74**	**246.74**

*As explained in note 36.1, in accordance with the requirements of the Scheme, the equity shares were issued on April 11, 2018. However, solely for the purpose of compliance with the accounting treatment specified in the Scheme, the effect for issue of these shares has been given on the appointed date of the Scheme being October 1, 2017 and hence recorded as share capital although such shares were pending allotment as at March 31, 2018.

(i) Reconciliation of number of shares and amount outstanding

Particulars	As at 31-Mar-19		As at 31-Mar-18	
	No. of shares	₹ In Million	No. of shares	₹ In Million
Equity share capital				
Equity share of ₹ 10/- each				
Opening balance	**24,674,267**	**246.74**	**-**	**-**
Issue of shares during the period (Refer note 16 (vi))	1,100,000	11.00	10,000	0.10
Issue of shares pursuant to the scheme (Refer note 36.1)	-	-	24,674,267	246.74
Cancellation of shares pursuant to the scheme (Refer note 36.1)	-	-	(10,000)	(0.10)
Closing balance	**25,774,267**	**257.74**	**24,674,267**	**246.74**

(ii) Detail of the rights, preferences and restrictions attaching to each class of shares outstanding equity shares of ₹ 10/- each:

The Company has only one class of equity shares, having a par value of ₹ 10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) Details of equity shares held by each shareholder holding more than 5% of shares:

Particulars	As at 31-Mar-19		As at 31-Mar-18	
	No. of Shares	%	No. of Shares	%
Pronomz Ventures LLP	3,190,831	12.38%	3,190,831	12.93%
Arun Kumar	1,668,463	6.47%	1,168,463	4.74%
SBI Magnum Multiplier Fund	1,342,351	5.21%	1,628,786	6.60%
K R Ravishankar	1,325,260	5.14%	1,325,260	5.37%

(iv) Details of shares reserved for issue under options and contracts/commitments for the sale of shares:

Particulars	As at 31-Mar-19		As at 31-Mar-18	
	No. of Shares	Amount	No. of Shares	Amount
For convertible warrants: 9,400,000 equity shares of ₹ 10/- each	9,400,000	94.00	-	-
Under employee stock option scheme, 2018: 12,28,778 equity shares of ₹ 10/- each	1,228,778	12.29	-	-

(v) 24,674,267 number of equity shares were issued for consideration other than cash, pursuant to the Scheme as explained in note 36.1

(vi) During the year ended March 31, 2019, pursuant to shareholders approval at the extraordinary general meeting held on February 27, 2019, the company has issued 6,500,000 convertible warrants of ₹ 10/- each at a premium of ₹ 390/- per warrant to promoters group and 4,000,000 convertible warrants of ₹ 10/- each at a premium of ₹ 490/- per warrant to M/s. TPG Growth IV SF Pte. Ltd ("Investor") after obtaining the approval of BSE and National Stock Exchange of India. The terms of conversion required that the warrant to be converted into one equity share of ₹ 10/- each within eighteen months from the date of allotment of warrants. The Company has received preliminary consideration of ₹ 650 Million and ₹ 500 Million from promoters group and investor respectively towards allotment of 10,500,000 convertible warrants during the year.

Subsequent to allotment of the warrants, the promoter group comprising of Mr. Arun Kumar Pillai and M/s Karuna Business Solutions LLP have exercised their option to convert 1,100,000 warrants into equivalent equity shares which was approved by the board of directors at their meeting held on March 26, 2019. On receipt of balance consideration of ₹ 330 Million, 11,00,000 equity shares were allotted on March 26, 2019.

NOTE NO. 17 OTHER EQUITY

₹ in Million

Particulars	Notes	As at 31-Mar-19	As at 31-Mar-18
Capital reserve	17 (i)	0.10	0.10
Securities premium account	17 (ii)	7,805.95	7,434.83
Retained earnings	17 (iii)	529.69	16.99
Share options outstanding account	17 (iv)	23.89	-
Share application money pending allotment (Refer note 16 vi)	17 (v)	1,040.00	-
Total		**9,399.63**	**7,451.92**

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
(A) Reserves and surplus		
(i) Capital reserve		
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.		
Opening balance	0.10	-
Add: Pursuant to the scheme (Refer note 36.1)	-	0.10
Closing balance	**0.10**	**0.10**

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
(ii) Securities premium account		
Amounts received on issue of shares in excess of the par value has been classified as securities premium.		
Opening balance	7,434.83	-
Add: Pursuant to the scheme (Refer note 36.1)	-	7,434.83
Add: Premium on shares issued during the year (Refer note 16 vi)	429.00	-
Less: Shares issue expenses	(57.88)	-
Closing balance	**7,805.95**	**7,434.83**
(iii) Retained earnings		
Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.		
Opening balance	16.99	-
Add: Pursuant to the scheme (Refer note 36.1)	-	-
Add: Profit\(loss) for the period	620.07	19.50
Add: Remeasurement of the defined benefit liabilities (net of tax)	(13.38)	(2.51)
Less: Adjustment on account of transition to Ind AS 115 (Refer note 49)	(93.99)	-
Closing balance	**529.69**	**16.99**
(iv) Share options outstanding account		
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account will be transferred to securities premium reserve upon exercise of stock options by employees.		
Opening balance	-	-
Add: Amounts recorded on grants / (cancellations) during the year	23.89	-
Less: Transferred to securities premium account on exercise (net)	-	-
Closing balance	**23.89**	**-**
(v) Share application money pending allotment		
Share application money pending allotment account represents the share allotment monies received by the company but pending allotment as on the reporting date.		
Opening balance	-	-
Add: Share application money received on account of issue of warrants (Refer note 16 vi)	1,480.00	-
Less: Issue of shares pursuant to exercise of warrants	(440.00)	-
Closing balance	**1,040.00**	**-**
Total Reserves and surplus	**9,399.63**	**7,451.92**

NOTE NO. 18 BORROWINGS

(i) Non-current borrowings

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Secured		
Term loans from banks (Refer note (i) to (viii) below)	1,918.50	1,817.06
Term loans from others (Refer note (ix) to (x) below)	293.17	611.56
Finance lease obligation (Refer note (xi) below)	38.05	-
Total	**2,249.72**	**2,428.62**

Details of security and terms of repayment of non-current borrowings

₹ in Million

Terms of repayment and security		As at 31-Mar-19	As at 31-Mar-18
(i)	Term loan from banks: Loan 1		
	Long-term borrowings	-	20.62
	Current maturities of non-current borrowings	-	81.46
	Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company. Rate of interest: 4.49% to 5%p.a, repayable in USD		
(ii)	Term loan from banks: Loan 2		
	Long-term borrowings	-	462.96
	Current maturities of non-current borrowings	-	25.00
	Security: Paripassu first charge on all fixed assets of the company including intangibles and second charge on entire current assets of the Company. Rate of interest: - 1 Year MCLR plus 1.4% p.a.		
(iii)	Term loan from banks: Loan 3		
	Long-term borrowings	-	688.64
	Current maturities of non-current borrowings	-	37.50
	Security: Paripassu first charge on all fixed assets of the company including intangibles and second charge on entire current assets of the Company. Rate of interest: - 1 Year MCLR plus 1.15% p.a		
(iv)	Term loan from banks: Loan 4		
	Long-term borrowings	192.92	-
	Current maturities of non-current borrowings	-	-
	Security: Paripassu first charge on all fixed assets of the company including intangibles and second charge on entire current assets of the Company. Rate of interest: - 1 Year MCLR plus 1.30% p.a Repayment terms: Repayable in 20 quarterly instalments after an initial moratorium period of 24 months.		
(v)	Term loan from banks: Loan 5		
	Long-term borrowings	853.26	-
	Current maturities of non-current borrowings	375.00	-
	Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company. Rate of interest: - 9.70% p.a Repayment terms: Repayable in monthly instalments of ₹ 31.25 Million -Starts from April 2019		
(vi)	Term loans from bank : Loan 6		
	Long-term borrowings	-	-
	Current maturities of non-current borrowings	-	45.09
	Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company. Rate of interest: 1 Year MCLR plus 1.9% p.a.		
(vii)	Term loans from bank : Loan 7		
	Long-term borrowings	-	48.21
	Current maturities of non-current borrowings	-	33.62
	Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company. Rate of interest: 1 Year MCLR plus 1.9% p.a.		
(viii)	Term loans from bank : Loan 8		
	Long-term borrowings	872.32	596.63
	Current maturities of non-current borrowings	283.33	150.00
	Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company. Rate of interest: IDFC Bank MCLR plus Spread Repayment terms: Repayable in 60 monthly instalments for each tranche of drawdown beginning in the subsequent month		
(ix)	Term loans from others : Loan 9		
	Long-term borrowings	-	1.16
	Current maturities of non-current borrowings	-	0.29
	Security: Paripassu first charge on Innova car. Rate of interest: 9.06% p.a		

₹ in Million

Terms of repayment and security		As at 31-Mar-19	As at 31-Mar-18
(x)	Term loans from others : Loan 10		
	Long-term borrowings	293.17	610.40
	Current maturities of non-current borrowings	325.00	225.00
	Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company. Rate of interest: Yes Bank Base rate Repayment terms: Repayable in 14 quarterly instalments -First six instalments ₹ 50 Million, 7 to 10 instalments ₹ 75 Million and 11 to 14 instalments ₹ 10 Million		
(xi)	Finance lease obligations : Loan 11		
	Long-term borrowings	38.05	-
	Current maturities of finance lease obligations	2.94	-
	Rate of interest: 10.90% p.a Repayment terms: Payable in 396 monthly instalments commencing from December 2018. The outstanding term as at March 31, 2019 is 392 instalments.		

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Disclosed under non-current borrowings	2,249.72	2,428.62
Disclosed under other current financial liabilities		
-Current maturities of non-current borrowings	983.33	597.96
-Current maturities of finance lease obligations	2.94	-

(ii) Current borrowings

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Secured loans repayable on demand from banks:		
Working capital loans	2,144.55	3,302.14
Total	**2,144.55**	**3,302.14**

Details of security and terms of repayment for current borrowings:

a) Working capital loans from banks are secured by first pari passu charge over current assets of the Company and second pari passu charge on movable and immovable fixed assets of the Company.

b) Rate of interest for INR borrowings ranges from 9.30% to 11.25%

c) Rate of interest for USD borrowings ranges from 3.25% to 6.90%

Reconciliation of liabilities arising from financing activities

₹ in Million

Particulars		31-Mar-18	Financing Cash Flow	Non-cash changes			31-Mar-19
				Acquisition	Foreign exchange movement	Fair value change/others	
(a)	**Non-current Borrowings**						
	Borrowings from bank	2,190.02	391.14	-	(4.33)	-	2,576.83
	Borrowings from other financial institution	836.56	(218.39)	-	-	-	618.17
	Lease Liabilities	-	40.99	-	-	-	40.99
(b)	**Current Borrowings**	3,302.14	(1,094.45)	-	(63.14)	-	2,144.55
Total Borrowings		**6,328.72**	**(880.71)**	**-**	**(67.47)**	**-**	**5,380.54**

NOTE NO. 19 OTHER FINANCIAL LIABILITIES

(i) Other Non-current financial liabilities

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Security deposits	4.20	-
Total	**4.20**	**-**

(ii) Other Current financial liabilities

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Current maturities of non-current borrowings (Refer note 18(i))	983.33	597.96
Current maturities of finance lease obligations (Refer note 18(i))	2.94	-
Interest accrued but not due on borrowings	4.78	11.39
Other payables:		
Payables on purchase of property, plant and equipment	76.14	66.35
Payable on acquisition of investments (Refer note 7 (i))	551.00	-
Total	**1,618.19**	**675.70**

NOTE NO. 20 PROVISIONS

(i) Non-current provisions

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Provision for employee benefits:		
Compensated absences	86.65	73.15
Total	**86.65**	**73.15**

(ii) Current provisions

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Provision for employee benefits:		
Compensated absences	14.99	12.73
Total	**14.99**	**12.73**

NOTE NO. 21 DEFERRED TAX LIABILITIES/(ASSETS) (NET)

₹ in Million

2018-19	Opening balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Acquisitions / disposals	Closing balance
Property, plant and equipment	352.55	206.07	-	(3.08)	555.54
Intangible assets - Other than Goodwill	346.86	(33.82)	-	-	313.04
Provision for employee benefits	(104.45)	(7.57)	(7.08)	(5.37)	(124.47)
Carry forward business loss and unabsorbed depreciation	(98.33)	(125.15)	-	-	(223.48)
Provision for doubtful debts and others	(8.12)	(41.71)	-	-	(49.83)
MAT Credit entitlement	(4.17)	(138.35)	-	-	(142.52)
Total	**484.34**	**(140.53)**	**(7.08)**	**(8.45)**	**328.28**

₹ in Million

2017-18	Opening balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Additions pursuant to the Scheme (Refer Note 36.1)	Closing balance
Property, plant and equipment	-	-	-	352.55	352.55
Intangible assets - Other than Goodwill	-	-	-	346.86	346.86
Provision for employee benefits	-	-	-	(104.45)	(104.45)
Carry forward business loss and unabsorbed depreciation	-	-	-	(98.33)	(98.33)
Provision for doubtful debts and others	-	-	-	(8.12)	(8.12)
MAT Credit entitlement	-	(4.17)	-	-	(4.17)
Total	**-**	**(4.17)**	**-**	**488.51**	**484.34**

NOTE NO. 22 OTHER LIABILITIES

(i) Other non-current liabilities

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Contract liability:		
Advance from customers	518.63	-
Income received in advance (unearned revenue)	51.29	-
Provision for employee benefits:		
Gratuity (Refer note 39)	195.89	162.67
Total	**765.81**	**162.67**

(ii) Other current liabilities

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Contract liability:		
Advance from customers	159.14	160.43
Income received in advance (unearned revenue)	27.62	-
Other payables:		
Statutory remittances	38.80	47.36
Total	**225.56**	**207.79**

During the year ended March 31, 2019, the company recognized revenue of ₹ 160.43 Million arising from opening contract liability as of April 1, 2018.

NOTE NO. 23 TRADE PAYABLES

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises	16.11	39.70
Total outstanding dues of creditors other than micro and small enterprises	2,228.70	3,086.19
Total	**2,244.81**	**3,125.89**

Disclosure required under section 22 of the micro, small and Medium Enterprises Development Act,2006

₹ in Million

Particulars		As at 31-Mar-19	As at 31-Mar-18
(i)	Principal amount remaining unpaid to any suppliers as at the end of the accounting year	16.11	39.70
(ii)	Interest due thereon remaining unpaid to any suppliers as at the end of the accounting year	-	-
(iii)	The amount of interest paid along with the amounts of the payment made to the suppliers beyond the appointed day	-	-
(iv)	The amount of interest due and payable for the year	-	-
(v)	The Amount of the interest accrued and remaining unpaid at the end of the accounting Year	-	-
(vi)	The amount of the future interest due and payable even in the succeeding year ,until such date when the interest dues as above are actually paid	-	-

Dues to micro and small enterprises have been admitted to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

NOTE NO. 24 CURRENT INCOME TAX LIABILITIES (NET)

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Provision for tax (net of advance tax)	8.00	-
Total	**8.00**	**-**

NOTE NO. 25 REVENUE FROM OPERATIONS

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Sale of products	12,861.73	4,983.93
Sale of services	303.27	31.09
Other operating revenues	507.59	194.71
Total	**13,672.59**	**5,209.73**

Refer Note 44 for disaggregated revenues from contracts with customers by geography.

Performance obligations and remaining performance obligations:
The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

NOTE NO. 26 OTHER INCOME

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Interest income (Refer note (i) below)	16.42	3.30
Other non-operating income		
- Liabilities / provisions no longer required written back	24.45	8.21
- Profit on sale of property, plant and equipment (net)	4.21	2.19
- Others	22.82	9.06
Total	**67.90**	**22.76**

Note:
(i) Interest income comprises:

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Interest from banks on deposits	11.47	2.96
Interest from others	4.95	0.34
Total	**16.42**	**3.30**

NOTE NO. 27 COST OF MATERIALS CONSUMED

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Opening stock	853.54	-
Add: Purchases	7,204.85	2,795.35
Less: Opening stock of business disposed during the year (Refer note 37)	(58.25)	-
Pursuant to the Scheme as at October 1, 2017 (Refer note 36.1)	-	760.04
Less: Closing stock	(809.54)	(853.54)
Cost of materials consumed	**7,190.60**	**2,701.85**

NOTE NO. 28 PURCHASE OF TRADED GOODS

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Traded goods	90.75	40.54
Total	**90.75**	**40.54**

NOTE NO. 29 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Inventories at the end of the year		
- Finished goods	183.54	293.56
- Work-in-progress	978.43	695.68
	1,161.97	**989.24**
Closing stock pertaining to business disposed during the year (Refer note 37)		
- Finished goods	-	(13.06)
- Work-in-progress	-	(107.04)
	-	**(120.10)**
Inventories at the beginning of the year		
- Finished goods	293.56	-
- Work-in-progress	695.68	-
	989.24	**-**
Add: Inventories transferred to the company pursuant to the scheme (Refer note 36.1)		
- Finished goods	-	350.54
- Work-in-progress	-	574.28
	-	**924.82**
Less: Opening stock pertaining to business disposed during the year (Refer note 37)		
- Finished goods	(13.06)	(14.16)
- Work-in-progress	(107.04)	(66.30)
	(120.10)	**(80.46)**
Net (increase) / decrease	**(292.83)**	**(24.78)**

NOTE NO. 30 EMPLOYEE BENEFITS EXPENSES

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Salaries and wages	1,496.69	527.82
Contribution to provident and other funds (Refer note 39)	140.72	68.55
Expense on employee share based payments (Refer note 45)	23.89	-
Expense on employee share based payments offered by other party	-	3.80
Staff welfare expenses	137.87	75.42
Total	**1,799.17**	**675.59**

NOTE NO. 31 FINANCE COSTS

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Interest expense on:		
- Borrowings	731.92	229.04
- Delayed payment of income tax	0.69	-
- Others	6.37	-
Exchange differences regarded as an adjustment to borrowing costs	67.42	-
Other borrowing cost	25.81	22.30
Less : Capitalised during the year	(8.05)	-
Total	**824.16**	**251.34**

NOTE NO. 32 DEPRECIATION AND AMORTISATION EXPENSES

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Depreciation on Property, plant and equipment (Refer note 3(i))	665.63	261.50
Depreciation on Investment property (Refer note 4)	1.87	0.94
Amortisation on Intangible assets (Refer note 6)	125.93	103.12
Total	**793.43**	**365.56**
- from continuing operations	787.28	338.30
- from discontinued operations	6.15	27.26

NOTE NO. 33 OTHER EXPENSES

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Subcontracting	155.71	98.98
Power and fuel	709.55	306.56
Water	16.83	7.51
Rent including lease rentals (Refer note 40)	45.94	18.31
Repairs and maintenance:		
- Buildings	28.29	13.79
- Machinery	132.57	67.62
- Others	306.60	131.56
Insurance	42.45	26.48
Rates and taxes	13.53	7.31
Communication	22.53	7.63
Travelling and conveyance	62.72	27.89
Printing and stationery	23.08	4.89
Freight and forwarding	250.07	159.04
Sales commission	40.60	11.93
Business promotion	22.76	7.37
Donations and contributions	11.31	10.42
Expenditure on Corporate Social Responsibility	14.34	3.34
Analytical charges	102.74	46.81
Regulatory expenses	23.50	9.03
Legal and professional fees	96.07	40.53
Payments to auditors (Refer note (i) below)	7.45	5.72

NOTES

forming part of the standalone financial statements

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Bad debts written off / Allowance for doubtful trade and other receivables	5.02	4.69
Consumables	249.10	57.42
Sales promotion expenses	-	0.11
Exchange fluctuation loss (net)	113.67	1.10
Research & Development (R&D) expense	-	64.01
Provision for doubtful advances, net	3.60	-
Miscellaneous expenses	124.27	33.80
Total	**2,624.30**	**1,173.85**

i. Payments to Auditors comprises of

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
- Audit of standalone and consolidated financial statements including limited review	5.00	5.00
- Other services	1.32	-
- Tax audit	0.50	0.50
- Reimbursement of expenses	0.63	0.22
Total	**7.45**	**5.72**

NOTE NO. 34 TAX EXPENSES

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Continuing operations		
Current tax		
Current tax expense	159.71	15.90
Deferred tax benefit		
Deferred tax (credit) / expenses	20.21	-
MAT credit availment	(159.71)	(15.90)
Tax expenses for continuing operations	**20.21**	**-**
Discontinued operations		
Current tax		
Current tax expense	(21.36)	(11.73)
Deferred tax benefit		
Deferred tax (credit) / expenses	(22.39)	-
MAT credit availment	21.36	11.73
Tax expenses for discontinued operations	**(22.39)**	**-**
Total tax expense	**(2.18)**	**-**

The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Profit before income taxes:		
- from continuing operations	717.06	75.80
- from discontinued operations	(99.17)	(56.30)
- from total operations	**617.89**	**19.50**
Indian statutory income tax rate	34.944%	34.608%
Expected income tax expense	**215.92**	**6.75**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:		
Effect of expenses that are not deductible in determining taxable profit	9.33	-
Effect on additional tax allowance	(222.70)	(6.75)
Others (net)	(4.73)	-
Total income tax expense	**(2.18)**	**-**

Refer Note 21 for significant components of deferred tax assets and liabilities.

NOTE NO. 35 DETAILS OF RESEARCH AND DEVELOPMENT EXPENDITURE INCURRED (CHARGED TO STATEMENT OF PROFIT AND LOSS)

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Outsourced:		
Development charges	-	63.70
Inhouse:		
Salaries and wages	225.41	8.55
Depreciation and amortisation expense	100.94	7.58
Materials	15.62	3.21
Others	199.30	6.73
Total	**541.27**	**89.77**

In addition, the Company has also incurred capital expenditure in such facilities of ₹ 521.71 million (Previous year: ₹ 222.98 million) which has been capitalised under respective heads in the financial statements.

The amount quantified as research and development expenditure (both capital and revenue) is as certified by the management of the Company and relied upon by the auditors.

NOTE 36.1 COMPOSITE SCHEME OF ARRANGEMENT BETWEEN THE COMPANY, STRIDES SHASUN LIMITED AND SEQUENT SCIENTIFIC LIMITED, DURING THE PREVIOUS FINANCIAL YEAR:

In accordance with the terms of the Composite Scheme of Arrangement (the 'Scheme') between the Company, Strides Shasun Limited ("Strides") and Sequent Scientific Limited ("Sequent"), as approved by the National Company Law Tribunal, the Commodity API business of Strides and the Human API business of Sequent were demerged from respective Companies and transferred into the Company with the appointed date of October 1, 2017 ("the appointed date") for a consideration of equity shares to be issued by the Company to the equity shareholders of Strides and Sequent in the proportion of agreed share entitlement ratio. The effective date of the Scheme was March 31, 2018, the date on which all the requirements under the Companies Act, 2013, to give effect to the Scheme, were completed. Accordingly, the effect was given in these Standalone financial statements from the appointed date of the Scheme - October 1, 2017.

Pursuant to the Scheme, the Company allotted 24,674,267 equity shares to the shareholders of Strides and Sequent in the ratio of 1 equity share of ₹ 10/- each of the Company for every 6 shares of ₹ 10/- each held by the shareholders of Strides, and 1 equity share of ₹ 10/- each of the Company for every 25 shares of ₹ 2/- each held by the shareholders of Sequent, on April 11, 2018, the effect of which has been given in these financial statements as on the appointed date of the Scheme. Further, in accordance with the terms of the Scheme, the authorised share capital of the Company is increased to ₹ 300 Million represented by 30 Million equity shares of ₹ 10 each.

As per the requirements of the Scheme, transfer of the above businesses into the Company have been accounted in accordance with the Ind AS notified under Section 133 of the Act, as on the appointed date of the Scheme as under:

a) Transfer of API business of Strides

(I) The Company has recorded the assets and liabilities of the API Business of Strides at their respective book values appearing in the books of Strides as on the appointed date.

(II) The face value of equity shares issued by the Company to the shareholders of Strides has been recorded to the credit of share capital account of the Company. The premium on issue of these equity shares has been recorded, to the credit of securities premium account, to the extent of difference between (i) the book value of the net assets (i.e. book value of assets and liabilities) recorded pursuant to (I) above and (ii) the face value of such shares allotted.

(III) Shares held by Strides in the Company prior to this Scheme has been cancelled and transferred to Capital reserve.

Details of assets and liabilities transferred to the Company as at October 1, 2017 are given below:

	Particulars	₹ in Million
	Non-current assets	4,593.09
	Current assets	3,904.62
(A)	**Total assets**	**8,497.71**
	Non-current liabilities	2,624.44
	Current liabilities	3,901.70
(B)	**Total liabilities**	**6,526.14**
(C)	**Net assets (A) – (B)**	**1,971.57**
(D)	Face value of equity shares of the Company issued to the shareholders of Strides recorded as equity share capital of the Company (14,924,819 equity shares of ₹ 10/- each)	149.25
(E)	Securities premium on issue of such shares **(C) - (D)**	1,822.32

Principal Activity of API business of Strides:

The commodity API business of Strides being demerged into the Company is primarily focused in the therapeutic area of pain management. The commodity API business is carried out through two manufacturing facilities, located at Cuddalore and Pondicherry, which are transferred to the Company, pursuant to the Scheme.

b) Transfer of Human API business of Sequent

(I) Assets and liabilities of the Human API Business of Sequent have been recorded to reflect at their fair values as on the appointed date. The difference between the fair value of equity shares issued to the shareholders of Sequent and the net assets (i.e. fair value of assets and liabilities recorded as mentioned above), is recorded as goodwill.

(II) The face value of equity shares issued by the Company to the shareholders of Sequent has been recorded to the credit of share capital account of the Company. The premium on issue of these equity shares has been recorded to the credit of securities premium account, to the extent of difference between (i) the fair value of such shares so issued and (ii) the face value of such shares allotted.

Details of the fair value of assets and liabilities of the Human API business recorded by the Company as at October 1, 2017 are as below:

Particulars		₹ in Million
(A)	**Fair value of equity shares issued by the Company to the shareholders of Sequent**	**5,710.00**
	Non-current assets (other than goodwill on this acquisition)	3,075.83
	Goodwill on this acquisition	3,579.50
	Current assets	1,456.27
(B)	**Total assets**	**8,111.60**
	Non-current liabilities	620.92
	Current liabilities	1,780.68
(C)	**Total liabilities**	**2,401.60**
(D)	**Net assets * (B) – (C)**	**5,710.00**
(E)	Face value of equity shares of the Company issued to the shareholders of Sequent recorded as equity share capital of the Company (9,749,448 equity shares of ₹ 10/- each)	97.49
(F)	Securities premium on issue of such shares **(D) - (E)**	**5,612.51**

"* As at March 31, 2018, the Company was in the process of quantifying the tax losses that would be available to it for carry forward and setoff in the subsequent periods, as this amount would be determined based on subsequent filing of tax returns by the respective companies. Accordingly, no deferred tax asset was recognised as at March 31, 2018 on such losses that may be available to the Company.

During the year ended March 31, 2019, the initial accounting in respect of deferred tax on brought forward losses from this business acquisition has been finalised. Pursuant to this finalisation of initial accounting, the Company has restated the balance sheet as at March 31, 2018 in accordance with Ind AS 103 'Business Combinations', as a result of which, the deferred tax liability and goodwill as at March 31, 2018 have been reduced by ₹ 48.3 Million pursuant to this adjustment.

Principal Activity of Human API business of Sequent:

The Human API business of Sequent comprises of a portfolio of niche APIs, carried out through three manufacturing facilities, located in Mangalore (Karnataka), Mysore (Karnataka) and Mahad (Maharashtra) which are transferred to the Company, pursuant to the Scheme.

Upon the Scheme coming into effect, the investments in following entities, held by the respective businesses above, have also been transferred to the Company:

Investments in	₹ in Million as at October 1, 2017	Transferred from	Value based on
Chemsynth Laboratories Private Limited	33.63	Commodity API business of Strides	Carrying value as recorded on the date of transfer
Shasun USA Inc	0.54	Commodity API business of Strides	Carrying value as recorded on the date of transfer
Sequent Penems Private Limited	143.00	Human API business of Sequent	Fair value as on the date of transfer

Impact of acquisition of the above businesses on the results of the Company

₹ in Million

Particulars		For the period from 23-Feb-2017 to 31-Mar-2018
A.	**Continuing operations:**	
	Revenue from operations	5,205.71
	Other income	22.76
	Total revenue (A)	**5,228.47**
	Cost of materials consumed	2,698.64
	Purchase of Stock-in-trade	40.54
	Changes in inventories of finished goods and work-in-progress	(24.78)
	Employee benefits expenses	656.80
	Finance costs	247.63
	Depreciation and amortisation expense	330.67
	Other expenses	1,177.33
	Total expenses (B)	**5,126.83**
	Profit/(Loss) before tax from continuing operations(C)	**101.64**
B.	**Discontinued operations:**	
	Profit / (Loss) from discontinued operations	(56.30)
Profit/(Loss) before tax from discontinued operations		**(56.30)**
Profit/(Loss) before tax from total operations		**45.34**

NOTE NO. 36.2 OTHER BUSINESS ACQUISITION:

a) During current financial year:

The company entered into a Business purchase agreement to acquire a R&D business at Chennai from Strides Pharma Science Limited (Formerly known as Strides Shasun Limited) and the transaction was completed on April 1, 2018.

Assets and liabilities of the R&D business have been recorded to reflect at their fair values as on the transaction closure date (i.e. April 1, 2018).

Principal Activity of the R&D business acquired:

The R&D business at Chennai is a state-of-art facility engaged in the development of complex products and is also engaged in the business of providing product development solutions to its clients.

Consideration transferred:

Particulars	₹ in Million
Cash	347.56

Details of the fair value of assets and liabilities of the R&D facility recorded by the Company as at April 1, 2018 are as below:

Particulars	₹ in Million
Non-current assets (other than goodwill on this acquisition)	357.27
Current assets	20.94
(A) Total assets	**378.21**
Current liabilities	30.65
(B) Total liabilities	**30.65**
(C) Net assets (A) - (B)	**347.56**

Calculation of Goodwill / Capital reserve arising on acquisition:

Particulars	₹ in Million
Consideration transferred	347.56
Less: Identifiable net assets acquired	(347.56)
Excess of the consideration transferred by the Company over the net assets acquired has been debited to Goodwill	-

Impact of the above acquisition on the results of the Company:

₹ in Million

Particulars	For the year ended 31-Mar-2019
Revenue from operations	112.88
Other income	0.20
Total revenue (A)	**113.08**
Cost of materials consumed	22.88
Purchase of Stock-in-trade	0.32
Changes in inventories of finished goods and work-in-progress	(7.61)
Employee benefits expenses	159.71
Finance costs	0.11
Depreciation and amortisation expense	47.36
Other expenses	150.68
Total expenses (B)	**373.45**
Profit/(Loss) before tax (C)	**(260.37)**

b) During previous financial year:

The company entered into an agreement to acquire a R&D business at Bangalore from Sovizen Life Sciences Private Limited and the transaction was completed on February 1, 2018.

Assets and liabilities of the R&D business were recorded to reflect at their fair values as on the transaction closure date (i.e. February 1, 2018). The difference between the consideration paid and the fair value of the net assets acquired (i.e. fair value of assets and liabilities recorded as mentioned above) was recorded as goodwill.

Principal Activity of the R&D business acquired:

The R&D business at Bangalore is a state-of-art new facility engaged in the development of generic API and is also engaged in the business of providing product development solutions to its clients.

Consideration transferred:

Particulars	₹ in Million
Cash	509.00

Details of the fair value of assets and liabilities of the R&D facility recorded by the Company as at February 1, 2018 are as below:

Particulars	₹ in Million
Non-current assets (other than goodwill on this acquisition)	432.66
Current assets	92.28
(A) Total assets	**524.94**
Current liabilities	20.26
(B) Total liabilities	**20.26**
(C) Net assets (A) – (B)	**504.68**

Calculation of Goodwill / Capital reserve arising on acquisition:

Particulars	₹ in Million
Consideration transferred	509.00
Less: Identifiable net assets acquired	(504.68)
Excess of the consideration transferred by the Company over the net assets acquired has been debited to Goodwill	**4.32**

Impact of the above acquisition on the results of the Company:

₹ in Million

Particulars	For the period from 23-Feb-2017 to 31-Mar-2018
Revenue from operations	3.98
Other income	-
Total revenue (A)	**3.98**
Cost of materials consumed	3.21
Purchase of Stock-in-trade	-
Changes in inventories of finished goods and work-in-progress	-
Employee benefits expenses	8.55
Finance costs	-
Depreciation and amortisation expense	7.58
Other expenses	6.73
Total expenses (B)	**26.07**
Profit/(Loss) before tax (C)	**(22.09)**

NOTE NO. 37 DISCONTINUED OPERATIONS:

The Board of Directors in their meeting held on May 19, 2018 approved for disposal of business operations at Mahad facility. This business unit was part of the Human API business acquired from Sequent under the Composite Scheme of Arrangement during the previous year. The disposal was completed on July 31, 2018 on which date the control passed to the acquirer.

The details of assets and liabilities disposed off, and the calculation of the profit or loss on disposal, are as below:

a) Carrying value of assets and liabilities as at July 31, 2018:

Particulars	₹ in Million
Non-current assets	340.07
Current assets	544.42
(A) Total assets	**884.49**
Non-current liabilities	6.24
Current liabilities	414.25
(B) Total liabilities	**420.49**
(C) Net assets (A) - (B)	**464.00**

b) Gain/(loss) on disposal:

Particulars	₹ in Million
Consideration received	464.00
Net assets disposed off	(464.00)
Gain/(loss) on disposal	**-**

c) Net cash inflow on disposal:

Particulars	₹ in Million
Consideration received in cash and cash equivalents	464.00
Less: Cash and cash equivalents balances disposed off	(1.54)
Net cash inflow on disposal	**462.46**

d) Impact of the above disposal on the results of the Company:

The financial performance and cash flow information of Mahad facility included in the statement of profit and loss is as below:

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Revenue from operations	219.01	394.34
Other income	-	0.10
Total revenue (A)	**219.01**	**394.44**
Cost of materials consumed	162.44	255.32
Changes in inventories of finished goods and work-in-progress	29.57	(39.64)
Employee benefits expenses	20.07	29.82
Finance costs	0.63	0.35
Depreciation and amortisation expense	6.15	27.26
Other expenses	99.32	177.63
Total expenses (B)	**318.18**	**450.74**
Profit/(Loss) before tax (C)	**(99.17)**	**(56.30)**
Current tax	(21.36)	(11.73)
Deferred tax	(1.03)	11.73
Tax expenses / (credit) (D)	**(22.39)**	**-**
Profit/(Loss) after tax (C) - (D)	**(76.78)**	**(56.30)**

e) Cash flows from discontinued operations:

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Net cash inflows / (outflows) from operating activities	(111.93)	0.59
Net cash inflows / (outflows) from investing activities	(11.53)	(0.59)
Net cash inflows / (outflows) from financing activities	125.00	-
Total	**1.54**	**-**

NOTE NO. 38 COMMITMENTS AND CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
a) Contingent liabilities - Pending Litigations		
Indirect taxes	45.46	60.97
Other claims against the Company not acknowledged as debts	13.50	15.26
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Property, plant and equipment	890.05	236.79
- Intangible Assets	8.27	6.39

NOTE NO. 39 EMPLOYEE BENEFITS PLANS

Defined contribution plan

The Company makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the company is required to contribute a specified percentage of the payroll cost to fund the benefits. The company recognised ₹ 100.43 Million (Previous year ₹ 38.82 Million) for providend fund contributions, ₹ 3.07 Million (Previous year ₹ 2.33 Million) for employee state insurance scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plan

The Company operates a gratuity plan, a defined employee benefit scheme covering qualifying employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Composition of the plan assets

The fund is managed by LIC and SBI, the fund manager. The details of composition of plan assets managed by the fund manager is not available with the company. However, the said funds are subject to Market risk (such as interest risk, investment risk, etc.).

The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at 31.03.2019	Valuation as at 31.03.2018
Discount rate	7.25%	7.50%
Expected rate of salary increase	6.50%	8.33%
Attrition rate	11.00%	11.00%
Mortality Rate	As per IALM (2006-08) ultimate	As per IALM (2006-08) ultimate
Retirement age (years)	58 years	58 years

Amounts recognised in Statement of profit and loss and in other comprehensive income in respect of this defined benefit plan are as follows:

Particulars	As at 31-Mar-19	As at 31-Mar-18
Service cost:		
Current service cost	29.03	14.54
Past service cost and (gain)/loss from settlements	3.37	12.90
Net interest expense	7.89	3.89
Components of defined benefit costs recognised in statement of profit and loss	**40.29**	**31.33**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	3.77	3.79
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(27.64)	-
Actuarial (gains) / losses arising from experience adjustments	44.33	(1.28)
Components of defined benefit costs recognised in other comprehensive income	**20.46**	**2.51**
Total	**60.75**	**33.84**

The amounts included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Present value of funded defined benefit obligation	376.28	330.74
Fair value of plan assets	(180.39)	(168.07)
Funded status	**195.89**	**162.67**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**195.89**	**162.67**

Movements in the present value of the defined benefit obligation are as follows:

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Opening defined benefit obligation	330.74	-
Add : Pursuant to the scheme (refer note 36.1)	-	300.75
Add : Acquisition / (disposal)	(5.51)	-
Expenses Recognised in statement of profit and loss		
Current service cost	29.03	14.54
Past service cost and (gain)/loss from settlements	3.37	12.90
Interest cost	23.07	10.94
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(27.64)	-
Actuarial gains and losses arising from experience adjustments	44.33	(1.28)
Benefits paid	(21.11)	(7.11)
Closing defined benefit obligation	**376.28**	**330.74**

Movements in the fair value of the plan assets are as follows:

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Opening fair value of plan assets	168.07	-
Add : Pursuant to the scheme (refer note 36.1)	-	170.21
Add : Acquisition / (disposal)	10.52	-
Expected return on plan assets	15.18	7.05
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Contributions from the employer	11.50	1.71
Actuarial (gains) / losses on planned assets	(3.77)	(3.79)
Benefits paid	(21.11)	(7.11)
Closing fair value of plan assets	**180.39**	**168.07**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases (decrease) by 1%, the defined benefit obligation would be ₹ 357.40 Million (₹ 398.10 Million) as at March 31, 2019

If the expected salary growth increases (decrease) by 1%, the defined benefit obligation would be ₹ 397.16 Million (₹ 357.05 Million) as at March 31, 2019.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Expected future Cash outflows towards the plan are as follows-

₹ in Million

Financial Year	Amount
2019-20	57.08
2020-21	53.45
2021-22	47.76
2022-23	43.81
2023-24	42.30
2024-25 to 2029- 30	184.88

NOTE NO. 40 LEASES

Operating Lease:

A. The company as leasee:

The Company's significant operating lease arrangements are mainly in respect of its residential and office premises. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expense recognized during the period amounts to ₹ 45.94 Million (Previous year ₹ 18.31 Million). The schedule for future minimum lease payments in respect of non-cancellable operating leases is set out below:

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Not later than one year	21.57	6.12
Later than one year but not later than five years	63.90	21.56
Later than five years	-	-

Finance Lease:

A. The company as leasee:

The Company has a finance lease arrangement for its leasehold land. Details relating to these assets and minimum lease rentals payable are as follows:

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Future minimum lease payments:		
Not later than one year	2.94	-
Later than one year but not later than 5 years	13.30	-
Later than 5 years	214.15	-
Total	**230.39**	**-**
Less: Unmatured finance charges	190.86	-
Present value of minimum lease payments payable		
Up to one year	2.94	-
From one year to five years	8.96	-
Above five years	27.63	-

NOTE NO. 41 CORPORATE SOCIAL RESPONSIBILITY:

a. Amount spent during the year on:

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	14.34	-	14.34
Total	**14.34**	**-**	**14.34**

NOTE NO. 42 RELATED PARTY INFORMATION

Holding Company

Strides Pharma Science Limited (Upto September 30, 2017)

Wholly owned subsidiary:

Shasun USA Inc., USA
Strides Chemicals Private Limited (wef. September 01, 2018)

Other Subsidiaries:

Sequent Pemems Private Limited
Chemsynth Laboratories Private Limited

KMP / Person holding significant interest in the company :

Jitesh Devendra	Managing Director (Appointed wef. April 11, 2018)
S Hariharan	Executive Director - Finance and Chief Financial Officer (Appointed wef. April 11, 2018)
Dr. P Sathyanarayan	Director (resigned wef. April 11, 2018)
R. Ramakrishnan	Independent Director (Appointed wef. April 11, 2018)
Nirmal P Bhogilal	Independent Director (Appointed wef. April 11, 2018)
Jagdish V Dore	Independent Director (Appointed wef. April 11, 2018 and resigned wef. August 03, 2018)
Kausalya Santhanam	Independent Director (Appointed wef. April 11, 2018)
Deepak C Vaidya	Non-Executive Director (Appointed wef. April 11, 2018)
Ronald Tjeerd De Vries	Independent Director (Appointed wef. October 30, 2018)
Ankur Nand Thadani	Non-Executive Director (Appointed wef. May 16, 2019)
Arun Kumar	Person holding significant interest in the company
B Sreenivasa Reddy	Chief Operating Officer (Appointed wef. April 11, 2018)
S Murali Krishna	Company Secretary (Appointed wef. April 11, 2018)

Enterprises controlled, owned or significantly influenced by KMP or person holding significant interest in the company:

Strides Pharma Science Limited, India (From October 01, 2017)
Devendra Estates LLP, India
Devicam LLP, India
Alivira Animal Health Limited, India
Sterling Pharma Solutions Limited, UK
Tenshi Life Sciences Private Limited, India
Aurore Life Sciences Private Limited, India
Tenshi Kaizen Private Limited, India (formerly Higher Pharmatech Private Limited)
Olene Life Sciences Private Limited, India
GMS Tenshi Holdings Pte Limited, India
Stelis Biopharma Private Limited, India
Sovizen Life Sciences Private Limited, India
Tenshi Active Pharma Sciences Private Limited, India
Styrax Pharma Private Limited, India
Tenshi Life Care Private Limited, India
Triphase Pharmaceuticals Private Limited, India

Oncobiologics Inc., USA
Naari Pharma Private Limited, India
Sequent Research Limited, India
Chayadeep Properties Private Limited, India
Tenshi Kaizen Inc., USA
Tenshi Kaizen USA Inc., USA
Batliboi Impex Limited, India
Tenshi Life Sciences Pte Ltd, Singapore
Biolexis Pte Ltd, Singapore
Navad Life Sciences Pte Ltd, Singapore
Aurore Pharmaceuticals Private Limited, India
Tenshi Kaizen Pharma Pte Ltd, Singapore
Tenshi Kaizen Private Limited, UK

Transactions during the period

₹ in Million

Description	Related party	31-Mar-19	31-Mar-18
Sale of goods	Strides Pharma Science Limited	3,048.25	791.86
	Aurore Life Sciences Private Limited	0.18	29.66
	Tenshi Kaizen Private Limited	0.50	0.31
	Sequent Scientific Limited	264.72	-
	Strides Chemicals Private Limited	42.77	-
	Alivira Animal Health Limited	102.25	204.68
Sale of services	Sterling Pharma Solutions Limited	16.15	3.98
	Strides Pharma Science Limited	101.30	-
Interest income	Chemsynth Laboratories Private Limited	2.56	-
	Strides Chemicals Private Limited	2.03	-
Other operating revenue	Strides Pharma Science Limited	21.78	5.60
Other income	Tenshi Life Sciences Private Limited	7.82	-
Sale of Asset	Sovizen Life Sciences Private Limited	-	1.00
	Strides Pharma Science Limited	1.50	-
	Strides Chemicals Private Limited	0.14	-
Purchase of goods	Alivira Animal Health Limited	54.85	16.69
	Sequent Scientific Limited	10.85	-
	Strides Chemicals Private Limited	29.69	-
	Sequent Research Limited	-	0.25
	Strides Pharma Science Limited	5.03	-
	Aurore Life Sciences Private Limited	33.09	1.80
Purchase of services	Sequent Research Limited	81.89	56.51
	Sterling Pharma Solutions Limited	8.91	-
	Batliboi Impex Limited	2.78	-
Purchase of property, plant and equipment	Tenshi Life Sciences Private Limited	-	50.00
	Sovizen Life Sciences Private Limited	-	1.54
	Strides Pharma Science Limited	349.35	-
Purchase of Intangible asset	Sequent Scientific Limited	1.45	-
Acquisition of Business	Sovizen Life Sciences Private Limited	-	509.00
Investments in Strides Chemicals Private Limited	Strides Pharma Science Limited	1,310.00	-
Sales commission	Sequent Scientific Limited	1.30	-

₹ in Million

Description	Related party	31-Mar-19	31-Mar-18
Recovery of expenses from	Shasun USA Inc	0.58	14.66
	Sequent Research Limited	7.01	-
	Strides Chemicals Private Limited	11.32	-
	Strides Pharma Science Limited	156.70	-
Reimbursement of expenses to	Shasun USA Inc	1.35	15.16
	Strides Pharma Science Limited	74.08	89.07
	Tenshi Life Sciences Private Limited	57.21	6.39
	Sequent Scientific Limited	5.66	-
	Sequent Research Limited	6.53	-
	Sterling Pharma Solutions Limited	5.56	6.32
Rental Income	Sequent Research Limited	8.40	2.81
Research & development expenses	Sovizen Life Sciences Private Limited	-	47.23
Rent & Maintenance for leased property	Devendra estates LLP	2.88	3.54
	Strides Pharma Science Limited	14.46	0.03
	Sequent Penems Private Limited	4.56	0.76
	Chayadeep Properties Private Limited	0.02	0.04
Interest expense (Upto September 30, 2017)	Strides Pharma Science Limited	-	3.71
Advances given	Sovizen Life Sciences Private Limited	-	141.50
	Tenshi Kaizen Private Limited	140.00	-
	Sequent Scientific Limited	-	10.79
	Strides Chemicals Private Limited	13.57	-
	Tenshi Life Sciences Private Limited	141.50	-
Loans given	Strides Chemicals Private Limited	68.00	-
	Chemsynth Laboratories Private Limited	0.07	0.14
Security deposit received	Sequent Research Limited	4.20	-
Security deposit given	Strides Pharma Science Limited	7.20	-
Capital advance given	Strides Pharma Science Limited	-	250.00
Sitting fees paid to directors	Deepak C Vaidya	1.10	-
	Jagdish V Dore	0.40	-
	Kausalya Santhanam	1.10	-
	Nirmal P Bhogilal	1.10	-
	Ronald Tjeerd De Vries	0.40	-
	R. Ramakrishnan	1.10	-
Services received in the capacity other than as directors (refer note (i) below)	Jitesh Devendra	-	7.46
	S Hariharan	-	5.29
Short term employee benefits paid to (refer note (i) below)	Jitesh Devendra	38.99	-
	S Hariharan	17.14	-
	B Sreenivasa Reddy	15.20	-
	S Murali Krishna	4.09	-

note (i): The compensation excludes gratuity & compensated absences which cannot be separately identified from the composite amount advised by the actuary.

Balances as at March 31, 2019

₹ in Million

Description	Related party	Receivable / (Payable) as at March 31, 2019	Receivable / (Payable) as at March 31, 2018
Trade payables	Shasun USA Inc.	(0.23)	(0.89)
	Sterling Pharma Solutions Limited	-	(6.02)
	Sovizen Life Sciences Private Limited	-	(1.83)
	Alivira Animal Health Limited	(50.63)	(180.00)
	Sequent Scientific Limited	(2.51)	-
	Chayadeep Properties Private Limited	-	(0.02)
	Sequent Penems Private Limited	-	(0.82)
	Sequent Research Limited	(26.86)	(17.61)
	Devendra Estates LLP	(0.26)	-
	Sequent Penems Private Limited	(3.33)	-
	Strides Pharma Science Limited	(20.55)	-
	Tenshi Life Sciences Private Limited	(18.60)	(31.43)
	Aurore Life Sciences Private Limited	(24.59)	(2.12)
Security deposit received	Sequent Research Limited	(4.20)	-
Payables on acquisition of investments	Strides Pharma Science Limited	(551.00)	-
Trade receivables	Alivira Animal Health Limited	46.93	79.95
	Aurore Life Sciences Private Limited	29.53	36.10
	Sovizen Life Sciences Private Limited	-	1.18
	Sterling Pharma Solutions Limited	-	3.98
	Tenshi Kaizen Private Limited	0.80	0.31
	Tenshi Life Sciences Private Limited	8.44	-
	Sequent Penems Private Limited	-	1.26
	Strides Pharma Science Limited*	559.15	118.26
	Sequent Scientific Limited	0.37	-
	Strides Chemicals Private Limited	27.04	-
	Shasun USA Inc.	16.11	14.66
Other receivables	Chemsynth Laboratories Private Limited	2.30	-
	Strides Chemicals Private Limited	15.23	-
Capital advances	Strides Pharma Science Limited	-	250.00
Advances receivable	Strides Pharma Science Limited	-	171.73
	Sequent Scientific Limited	-	10.79
	Sovizen Life Sciences Private Limited	-	141.50
	Tenshi Kaizen Private Limited	140.00	-
Loans receivable	Strides Chemicals Private Limited	68.00	-
	Chemsynth Laboratories Private Limited	23.50	23.43
Security deposit given	Sequent Penems Private Limited	4.56	4.56
	Strides Pharma Science Limited	7.20	-
	Devendra estates LLP	2.00	2.00

* excludes receivables of ₹ 934.83 Million which is discounted with banks.

NOTE NO. 43 EARNINGS PER SHARE

Amount in ₹

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Basic earnings per share:		
From continuing operations (A/C)	25.88	6.77
From discontinued operations (B/C)	(3.11)	(5.03)
Total basic earnings per share	**22.77**	**1.74**
Diluted earnings per share:		
From continuing operations (A/D)	25.84	6.77
From discontinued operations (B/D)	(3.11)	(5.03)
Total diluted earnings per share	**22.73**	**1.74**

Earnings used in computing basic and diluted earnings per share

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Profit/(loss) after tax attributable to the equity holders of the Company		
From continuing operations	696.85	75.80
Less: Share issue expenses debited to securities premium	(57.88)	-
From continuing operations (A)	**638.97**	**75.80**
From discontinued operations (B)	**(76.78)**	**(56.30)**
Total operations	**562.19**	**19.50**

Weighted average number of shares used as the denominator

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018*
Weighted average number of equity shares used as denominator in calculating basic earnings per share (C)	24,689,335	11,198,794
Adjustments for calculation of diluted earnings per share:		
- share warrants**	-	-
- employee stock options	38,073	-
Weighted average number of equity shares used as denominator in calculating diluted earnings per share (D)	**24,727,408**	**11,198,794**

* The equity shares issued pursuant to the Scheme referred in Note 36.1, have been considered with effect from the appointed date of the Scheme - October 1, 2017, for the purpose of calculation of weighted average number of equity shares used as denominator in calculating earnings per share for March 31, 2018.

** Effect of share warrants is anti-dilutive and hence not considered for the purpose of calculation of Diluted EPS.

NOTE NO. 44 SEGMENT REPORTING

The Company is engaged in the manufacture and sale of Active Pharma Ingredients. The operating segment of the Company is identified to be "Manufacture and sale of Active Pharma Ingredients" as the chief operating decision maker (CODM) reviews business performance at an overall Company level as one segment.

As the Company operates in single operating segment i.e., "Manufacture and sale of Active Pharma Ingredients", the reporting disclosures envisaged in Ind AS 108 on operating segments, are not applicable to the Company. However, the geographical information are disclosed below:

Geographical information

(i) Revenue from external customers

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
India	5,969.33	2,186.26
Mexico	850.05	460.28
United Kingdom	824.41	345.68
Japan	711.47	125.96
USA	662.10	541.93
Other foreign countries	4,147.64	1,354.91
Total	**13,165.00**	**5,015.02**

(ii) Non-current assets*

₹ in Million

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
India	11,615.74	11,822.14
Total	**11,615.74**	**11,822.14**

*Non-current assets do not include financial assets under financial instruments

(iii) Revenue from major customers

Revenue from one customer of the Company is ₹ 3,149.55 Million (31 March 2018 - ₹ 791.86 Million) which is individually more than 10 percent of the Company's total revenue.

NOTE NO. 45 SHARE-BASED PAYMENTS

Details of the employee share option plan of the Company:

The ESOP titled "Solara Employee Stock Option Plan 2018" (ESOP 2018) was approved by the shareholders and stock exchanges for 1,228,778 options. Each option comprises one underlying equity share of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of 120 days from the date of vesting. 845,000 options were granted under this plan during the current year.

During the current year, employee compensation costs of ₹ 23.89 Million (Previous year: Nil) relating to the above referred Employee Stock Option Plans have been charged to the Statement of Profit and Loss.

Fair value of share options granted in the year

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value of the ESOP granted during the year are as below:

Assumptions	Grant Date: October 01, 2018 (ESOP 2018)		
	Vest 1 October 01, 2019	Vest 2 October 01, 2020	Vest 3 October 01, 2021
	20%	30%	50%
No. of options	49,000	73,500	122,500
Fair market value of option at grant date (₹)	92.33	103.18	111.25
Fair market value of share at grant date (₹)	265.97	265.97	265.97
Exercise price (₹)	205.00	205.00	205.00
Expected volatility	39.13%	39.13%	39.13%
Option life (Years)	1	2	3
Expected Dividend Yield	0.00%	0.00%	0.00%
Risk-free interest rate	8.00%	8.00%	8.00%

Assumptions	Grant Date: November 30, 2018 (ESOP 2018)	
	Vest 1 November 30, 2019	Vest 2 November 30, 2020
	40%	60%
No. of options	240,000	360,000
Fair market value of option at grant date (₹)	120.08	130.93
Fair market value of share at grant date (₹)	297.86	297.86
Exercise price (₹)	205.00	205.00
Expected volatility	39.13%	39.13%
Option life (Years)	1	2
Expected Dividend Yield	0.00%	0.00%
Risk-free interest rate	8.00%	8.00%

Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2018-19		During the year 2017-18	
Options (No's)	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:				
- ESOP 2018	-	-	-	-
Granted during the year:				
- ESOP 2018	845,000	205.00	-	-
Exercised during the year:				
- ESOP 2018	-	-	-	-
Lapsed/ cancelled during the year:				
- ESOP 2018	-	-	-	-
Options outstanding at the end of the year:				
- ESOP 2018	845,000	205.00	-	-
Options available for grant:				
- ESOP 2018	383,778	-	-	-

NOTE NO. 46 FINANCIAL INSTRUMENTS

46.1 Categories of financial instruments

₹ in Million

Particulars	31-Mar-19	31-Mar-18
Financial assets:		
Measured at amortised cost		
(a) Cash and bank balances	738.25	469.27
(b) Investments	4.13	8.12
(c) Trade receivables	2,689.47	2,633.48
(d) Loans	23.61	20.41
(e) Other financial assets at amortised cost	314.97	223.19
Financial liabilities:		
Measured at amortised cost		
(a) Borrowings	4,394.27	5,730.76
(b) Current maturity of non-current borrowings	983.33	597.96
(c) Current maturity of finance lease obligations	2.94	-
(d) Trade payables	2,244.81	3,125.89
(e) Other Financial Liabilities	636.12	77.74

46.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The management assessed that the carrying value of loans to employees and security deposits approximates the fair value in both of the years presented. The carrying amounts of other financial assets and financial liabilities (except borrowings) are considered to be the same as their fair values due to their short-term nature.

The below table summarises the borrowings which are measured at amortised cost and for which fair values are disclosed, with corresponding carrying values:

₹ in Million

Particulars	31-Mar-19		31-Mar-18	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Borrowings	5,380.54	5,492.48	6,328.72	6,387.10

Financial risk management objectives

The Company's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

46.3 Foreign currency risk management

The Company is exposed to foreign exchange risk due to:
- debt availed in foreign currency
- exposure arising from transactions relating to purchases, revenues, expenses, etc., to be settled (within and outside the group) in currencies other than the functional currency of the respective entities

The carrying amount of the Company's foreign currency denominated monetary liabilities (payables) and assets (receivables) as at the end of reporting period are as under:

Amounts in Million

Amount	As at 31-Mar-19		As at 31-Mar-18	
Exposure to the Currency	in foreign Currency	in INR	in foreign Currency	in INR
USD	(5.48)	(380.19)	(28.76)	(1,874.45)
EUR	0.31	24.02	0.66	52.96
GBP	0.10	8.63	(0.12)	(10.61)
JPY	(2.15)	(1.35)	19.04	5.81
SGD	0.01	0.26	0.00	0.18
CHF	-	-	(0.01)	(0.34)

Foreign currency sensitivity analysis

Financial instruments affected by changes in foreign exchange rates include Working capital loans. The Company considers US Dollar and the Euro to be principal currencies which require monitoring and risk mitigation. The Company is exposed to volatility in other currencies including the Great Britain Pounds (GBP) and the Japanese Yen (JPY). The impact on account of 5% appreciation / depreciation in the exchange rate of the above foreign currencies against INR is given below:

₹ in Million

Particulars	Increase / (Decrease) in Profit		Increase / (Decrease) in Equity	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Appreciation in the USD	(19.01)	(93.72)	(12.37)	(61.29)
Depreciation in the USD	19.01	93.72	12.37	61.29
Appreciation in the EUR	1.20	2.65	0.78	1.73
Depreciation in the EUR	(1.20)	(2.65)	(0.78)	(1.73)
Appreciation in the GBP	0.43	(0.53)	0.28	(0.35)
Depreciation in the GBP	(0.43)	0.53	(0.28)	0.35
Appreciation in the JPY	(0.07)	0.29	(0.05)	0.19
Depreciation in the JPY	0.07	(0.29)	0.05	(0.19)

The impact on profit has been arrived at by applying the effects of appreciation / deprecation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purpose of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of respective financial years remains constant thereafter.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting period might not reflect the exposure during the period.

46.4 Interest rate risk management

Interest rate risk arises from borrowings. Debt issued at variable rates exposes the company to cash flow risk. Debt issued at fixed rate exposes the company to fair value risk.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Fixed-rate instruments		
Financial assets		
Balance with banks held as margin money	7.00	10.56
Balance with banks held in deposit account	712.75	-
Security deposit paid	96.71	78.50
Loan to related parties	68.00	-
Financial liabilities		
Finance lease obligations	40.99	-
	925.45	**89.06**
Variable-rate instruments		
Financial liabilities		
Borrowings from bank	5,339.55	6,328.72
	5,339.55	**6,328.72**

Interest rate sensitivity analysis

Financial instruments affected by interest rate changes include Secured Long term loans from banks, Secured Long term loans from others and Secured Short term loans from banks. The impact of a 1% change in interest rates on the profit of an annual period will be ₹ 72.87 Million (Previous year: 33.78 Million) assuming the loans at each year end remain constant during the respective years. This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets.

46.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk to the company primarily arises from trade receivables. Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions and other financial assets.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company has an internal mechanism of determining the credit rating of the customers and setting credit limits. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The credit risk arising from receivables is subject to currency risk in that the receivables are predominantly denominated in USD, EUR and GBP and any appreciation in the INR will affect the credit risk. Further, the

Company is not significantly exposed to geographical distribution risk as the counterparties operate across various countries across the Globe.

The credit risk on financial instruments like forward exchange contracts is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

46.6 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities.

46.6.1 Liquidity analysis for Non-Derivative Liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table include principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

₹ in Million

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank & other borrowings								
- As on March 31, 2019	3,147.49	1,131.41	741.56	411.73	35.51	24.78	**5,492.48**	**5,380.54**
- As on March 31, 2018	3,900.09	719.35	779.65	587.88	400.13	-	**6,387.10**	**6,328.72**
Interest payable on borrowings								
- As on March 31, 2019	4.78	-	-	-	-	-	**4.78**	**4.78**
- As on March 31, 2018	11.39	-	-	-	-	-	**11.39**	**11.39**
Trade and other payable								
- As on March 31, 2019	2,876.15	-	-	-	-	-	**2,876.15**	**2,876.15**
- As on March 31, 2018	3,192.24	-	-	-	-	-	**3,192.24**	**3,192.24**

NOTE NO. 47 CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 18 and 19(ii) offset by cash and bank balances) and total equity.

The Company is not subject to any externally imposed capital requirements.

Gearing ratio

The gearing ratio at end of the reporting period is as follows.

₹ in Million

Particulars	31-Mar-19	31-Mar-18
Debt (i)	5,380.54	6,328.72
Less:		
Cash and bank balances	738.25	469.27
Net Debt (A)	**4,642.29**	**5,859.45**
Total Equity (B)	**9,657.37**	**7,698.66**
Net debt to equity ratio (A/B)	**0.48**	**0.76**

(i) Debt is defined as non-current borrowings, current maturities of non-current borrowings, current maturities of finance lease obligations and current borrowings.

NOTE NO. 48 DISCLOSURE AS PER PART A OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186(4) OF THE COMPANIES ACT, 2013 IN RESPECT OF LOANS GIVEN

₹ in Million

Name of borrower	Nature of relationship	Purpose for which the loan is utilised by the recipient	Rate of interest	As at April 01, 2018	Given during the year	Repaid during the year	As at March 31, 2019	Maximum outstanding during the year ended March 31, 2019
Strides Chemicals Private Limited	Subsidiary	Operations	10.90%	-	68.00	-	68.00	68.00
Chemsynth Laboratories Private Limited	Subsidiary	Operations	10.90%	23.43	0.07	-	23.50	23.50

NOTE NO. 49 NEW ACCOUNTING STANDARDS ADOPTED BY THE COMPANY:

Ind AS 115 - Revenue from contract with customers

On April 1, 2018, the Company adopted Ind AS 115, “Revenue from Contracts with Customers” using the cumulative catch-up transition method applied to the contracts that were not completed as of April 1, 2018. In accordance with the modified retrospective transition method, the Company applied the new guidance to all contracts with customers within the scope of the standard that were in effect on April 1, 2018 and recognized the cumulative effect of initially applying the new guidance as an adjustment to the opening balance of retained earnings. Comparative information for prior periods has not been restated and continues to be reported under the accounting standards in effect for those periods.

Refer note 2.1(v) for the accounting policies followed pursuant to adoption of Ind AS 115. Refer Note 2.1 “Summary of significant accounting policies”” in the Company’s Annual Report for FY 2017-18 for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 has resulted in decrease in retained earnings as at the transition date in respect of contracts that were not completed as at the said date by ₹ 93.99 Million.

NOTE NO. 50

The Board of Directors, have in their meeting on May 16, 2019, proposed final dividend of ₹ 128.87 million (₹5/- per equity share) for the financial year ended March 31, 2019. This proposed dividend is subject to approval of the shareholders in the ensuing Annual General Meeting (AGM). The tax on the proposed dividend is ₹ 27.28 million.

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director
DIN: 06469234

S Hariharan
Executive Director - Finance and
Chief Financial Officer
DIN: 05297969

S Murali Krishna
Company Secretary
Membership No.: 13372

Place : Bengaluru
Date : May 16, 2019

INDEPENDENT AUDITOR'S REPORT

To The Members of
SOLARA ACTIVE PHARMA SCIENCES LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of SOLARA ACTIVE PHARMA SCIENCES LIMITED ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Response to Key Audit Matter
Revenue recognition:	**Principal audit procedures performed:**
Refer note 2.1(vi) and note 26 of the Consolidated financial statements. The Group's sales revenue mainly arose from sale of pharmaceuticals products, which are in the nature of API (i.e. Active Pharmaceutical Ingredient). The Group recognizes sales revenue based on the terms and conditions of transactions, which vary with different customers. For sales transactions in a certain period around balance sheet date, it is essential to ensure whether the transfer of control of the goods by the Group to the customer occurs before the balance sheet date or otherwise. Considering that there are significant volume of sales transactions close to the year end, involving material amounts and such revenue recognition is subject to whether transfer of control to the customers has occurred before the balance sheet date or otherwise, we consider the risk of revenue from sale of goods being recognised in the incorrect period, a key audit matter.	We evaluated the design of internal controls over recognition of revenue in the appropriate period in accordance with the Group's accounting policy. On a sample basis, we tested the operating effectiveness of the internal control relating to determination of point in time at which the transfer of control of the goods occurs. We tested the relevant information technology systems used in recording revenue including company's system generated reports, based on which selection of samples was undertaken. On sample basis, we performed test of details of sales recorded close to the year end through following procedures: • Analysed the terms and conditions of the underlying contract with the customer, and • Verified evidence for transfer of control of the goods prior to the balance sheet date or otherwise from relevant supporting documents.

Key Audit Matter	Response to Key Audit Matter
Carrying value of Goodwill relating to Human API business: Refer note 5 of the Consolidated financial statements. The Group carries goodwill of ₹ 3,579.50 million as at March 31, 2019 arising from past acquisition of the Human API business (refer note 37.1 for details of acquisition of Human API business during the previous financial year). As indicated in note 2.1(xvii) to the consolidated financial statements, the management of the Company assesses the impairment of goodwill annually. The carrying values of goodwill will be recovered through future cash flows and there is a risk of impairment loss where the actual future cash flows are less than expected. The impairment assessment performed by the Management contained a number of significant judgements and estimates including short and long-term growth rates and discount rate. We focused on this area because of the significance of the balance and the significant judgements and assumptions involved in impairment assessment by the Management about the future results of the Human API business.	**Principal audit procedures performed:** We assessed the Management's process for impairment assessment of goodwill. We performed testing of design and operating effectiveness of internal controls and substantive testing as follows: • Evaluated the design of the management's internal control around the impairment assessment process. • Understood the key assumptions considered in the management's estimates of future cash flows. • Involving our valuation specialists, we evaluated the short-term and long-term growth rates considered in the estimates of future cash flows and the discount rate used in the calculations. • Compared the historical cash flows (including for current year) against past projections of the management for the same periods and gained understanding of the rationale for the changes. • Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused our attention on those assumptions we considered most sensitive to the changes; such as –revenue growth and profitability during the forecast period, the terminal growth rate and the discount rate applied to the future cash flows. • We ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring. • We further assessed the adequacy of the disclosures made in the consolidated financial statements for the year ended March 31, 2019.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent/ Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements of 4 subsidiaries whose financial statements reflect total assets of ₹ 1863.26 Million as at 31st March, 2019, total revenues of ₹ 307.84 Million and net cash outflows amounting to ₹ 44.72 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

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

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

   ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sathya P. Koushik
Partner
Membership No. 206920

Bengaluru, May 16, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of SOLARA ACTIVE PHARMA SCIENCES LIMITED (hereinafter referred to as "Parent") and its subsidiary companies, which includes internal financial controls over financial reporting of the Company and its subsidiaries which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Parent, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

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

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sathya P. Koushik
Partner
Bengaluru, May 16, 2019 Membership No. 206920

CONSOLIDATED BALANCE SHEET

as at March 31, 2019

₹ in Million

Particulars	Note No.	As at 31-Mar-19	As at 31-Mar-18
A ASSETS			
I Non-current assets			
(a) Property, Plant and Equipment	3(i)	7,203.79	6,040.67
(b) Capital work in progress	3(ii)	403.71	714.83
(c) Investment property	4	294.44	225.18
(d) Goodwill	5	3,586.30	3,585.71
(e) Other intangible assets	6	1,028.71	1,007.74
(f) Financial assets			
(i) Investments	7	4.13	8.12
(ii) Loans	8(i)	0.23	0.42
(iii) Other financial assets	9(i)	111.11	79.23
(g) Deferred tax assets (net)	22(i)	0.65	0.65
(h) Income tax assets (net)	10	42.99	27.03
(i) Other non-current assets	11(i)	378.80	447.64
Total Non-current assets		**13,054.86**	**12,137.22**
II Current assets			
(a) Inventories	12	2,204.03	1,876.60
(b) Financial assets			
(i) Trade receivables	13	2,887.98	2,625.20
(ii) Cash and cash equivalents	14	757.21	459.52
(iii) Other balances with banks	15	7.47	10.56
(iv) Loans	8(ii)	23.38	19.99
(v) Other financial assets	9(ii)	165.16	144.69
(c) Other current assets	11(ii)	500.30	941.55
Total Current assets		**6,545.53**	**6,078.11**
Total Assets (I + II)		**19,600.39**	**18,215.33**
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity Share capital	16	257.74	246.74
(b) Other equity	17	9,300.94	7,393.04
Equity attributable to equity holders of the Company		**9,558.68**	**7,639.78**
Non-controlling interest	18	43.78	44.80
Total Equity		**9,602.46**	**7,684.58**
II Liabilities			
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19(i)	2,249.72	2,428.62
(ii) Other financial liabilities	20(i)	7.18	2.50
(b) Provisions	21(i)	88.89	73.15
(c) Deferred tax liabilities (net)	22(ii)	328.25	484.32
(d) Other non-current liabilities	23(i)	768.94	162.67
Total Non-current liabilities		**3,442.98**	**3,151.26**
2 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19(ii)	2,144.55	3,302.14
(ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	24	16.17	39.70
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	24	2,427.77	3,089.03
(iii) Other financial liabilities	20(ii)	1,630.58	693.07
(b) Other current liabilities	23(ii)	291.76	207.76
(c) Provisions	21(ii)	15.60	12.73
(d) Current tax liabilities	25	28.52	35.06
Total Current liabilities		**6,554.95**	**7,379.49**
Total Equity and liabilities (I + II)		**19,600.39**	**18,215.33**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director
DIN: 06469234

S Hariharan
Executive Director - Finance and Chief Financial Officer
DIN: 05297969

Sathya P. Koushik
Partner
Membership No.: 206920

S Murali Krishna
Company Secretary
Membership No.: 13372

Place : Bengaluru
Date : May 16, 2019

Place : Bengaluru
Date : May 16, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

₹ in Million

	Particulars	Note No.	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
A.	**CONTINUING OPERATIONS:**			
1	Revenue from operations	26	13,866.77	5,209.73
2	Other income	27	123.84	24.58
3	**Total Income (1+2)**		**13,990.61**	**5,234.31**
4	**EXPENSES**			
	(a) Cost of materials consumed	28	7,295.38	2,702.31
	(b) Purchase of stock-in-trade	29	90.75	40.54
	(c) Changes in inventories of finished goods and work-in-progress	30	(337.94)	(24.78)
	(d) Employee benefits expenses	31	1,858.12	685.31
	(e) Finance costs	32	824.21	251.36
	(f) Depreciation and amortisation expense	33	830.89	339.83
	(g) Other expenses	34	2,752.27	1,181.47
	Total expenses (4)		**13,313.68**	**5,176.04**
5	**PROFIT / (LOSS) BEFORE TAX (3-4)**		**676.93**	**58.27**
6	**TAX EXPENSE**	35		
	(a) Current tax		159.68	15.90
	(b) Current tax of subsidiary - reversal of excess provision of prior year		(14.31)	(1.40)
	(c) Deferred tax		(139.47)	(15.90)
	Total tax expense (6)		**5.90**	**(1.40)**
7	**PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS (5-6)**		**671.03**	**59.67**
B.	**DISCONTINUED OPERATIONS:**			
8	Profit / (Loss) from discontinued operations	38	(99.17)	(56.30)
9	Tax expense of discontinued operations	38	(22.39)	-
10	**PROFIT / (LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS (8-9)**		**(76.78)**	**(56.30)**
11	**PROFIT / (LOSS) FOR THE PERIOD (7+10)**		**594.25**	**3.37**
12	**OTHER COMPREHENSIVE INCOME**			
	Items that will not be reclassified to statement of profit and loss			
	Remeasurement of post employment benefit obligations - gain/(loss)	40	(20.14)	(2.51)
	Income tax relating to these items		7.08	-
	Items that will be reclassified to statement of profit and loss			
	Exchange gain/(loss) on translation of financial statements of foreign subsidiary		(15.33)	0.52
	Total Other comprehensive Income		**(28.39)**	**(1.99)**
13	**TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (11+12)**		565.86	1.38
	Profit for the year attributable to:			
	- Equity shareholders of the Company		595.27	3.77
	- Non-controlling interests		(1.02)	(0.40)
			594.25	**3.37**
	Other Comprehensive income for the year:			
	- Equity shareholders of the Company		(28.39)	(1.99)
	- Non-controlling interests		-	-
			(28.39)	**(1.99)**
	Total Comprehensive income for the year:			
	- Equity shareholders of the Company		566.88	1.78
	- Non-controlling interests		(1.02)	(0.40)
			565.86	**1.38**
14	**EARNINGS PER EQUITY SHARE (OF ₹ 10/- EACH) (FOR CONTINUING OPERATIONS)**	43		
	- Basic (₹)		24.88	5.36
	- Diluted (₹)		24.84	5.36
15	**EARNINGS PER EQUITY SHARE (OF ₹ 10/- EACH) (FOR DISCONTINUED OPERATION)**			
	- Basic		(3.11)	(5.03)
	- Diluted		(3.11)	(5.03)
16	**EARNINGS PER EQUITY SHARE (OF ₹ 10/- EACH) (FOR CONTINUING & DISCONTINUED OPERATIONS)**			
	- Basic		21.77	0.33
	- Diluted		21.73	0.33

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director
DIN: 06469234

S Hariharan
Executive Director - Finance and Chief Financial Officer
DIN: 05297969

Sathya P. Koushik
Partner
Membership No.: 206920

Place : Bengaluru
Date : May 16, 2019

S Murali Krishna
Company Secretary
Membership No.: 13372

Place : Bengaluru
Date : May 16, 2019

CONSOLIDATED CASHFLOW STATEMENT

for the year ended March 31, 2019

₹ in Million

Particulars	31-Mar-19	31-Mar-18
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax from		
Continuing operations	676.93	58.27
Discontinued operations	(99.17)	(56.30)
Adjustments for:		
Depreciation and amortisation	837.04	367.09
Interest expense on loans	764.84	229.04
Share based compensation expenses	23.89	-
Rental income from investment property	(39.43)	-
Interest income	(16.05)	(3.30)
Liabilities / provisions no longer required written back	(28.75)	(8.21)
Profit on sale of property, plant and equipments	(4.37)	(2.19)
Provision for doubtful receivables and advances	5.20	7.42
Unrealised exchange (gain)/loss (net)	(59.68)	37.71
Operating profit before working capital changes	**2,060.45**	**629.53**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(307.90)	(269.39)
Trade receivables	(553.44)	(391.82)
Other assets (financial & non-financial)	398.45	20.66
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(509.91)	444.18
Other liabilities (financial & non-financial)	654.84	87.98
Cash generated from operations	**1,742.49**	**521.14**
Net income tax (paid) / refunds	(143.86)	(28.91)
Net cash flow from / (used in) operating activities (A)	**1,598.63**	**492.23**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure for property,plant and equipments and intangible assets, including capital advances	(525.43)	(347.36)
Acquisition of R&D business from Sovizen Life Sciences Private Limited (Refer note 37.2(b))	-	(509.00)
Acquisition of R&D business from Strides Pharma Science Limited (Refer note 37.2(a))	(347.56)	-
Rental income from investment property	39.43	-
Proceeds from sale of disposal of business (Refer note 38)	464.00	-
Proceeds from sale of fixed assets	7.60	-
Investment in Subsidiary (Refer note 37.2(a)(ii))	(759.00)	-
Proceeds from sale of investments in other entities	3.99	-
(Increase)/decrease in balance held as margin money	11.84	-
Interest received	12.90	1.68
Net cash flow from / (used in) investing activities (B)	**(1,092.23)**	**(854.68)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	440.00	0.10
Share issue expenses	(57.88)	-
Proceeds from issue of warrants	1,040.00	-
Proceeds from non-current borrowings	930.18	750.00
Repayment of non-current borrowings	(716.44)	(221.69)
Net increase / (decrease) in current borrowings	(1,094.45)	369.36
Interest paid	(775.25)	(220.40)
Net cash flow from / (used in) financing activities (C)	**(233.84)**	**677.37**
Net increase in cash and cash equivalents (A+B+C)	**272.56**	**314.92**
Cash and cash equivalents at the beginning of the period	459.52	-
Add: Cash and cash equivalents acquired on account of business combination	26.67	144.60
Less: Cash and cash equivalents on account of disposal of business	(1.54)	-
Cash and cash equivalents at the end of the year	**757.21**	**459.52**
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer note 14)	757.21	459.52
Cash and cash equivalents at the end of the year*	**757.21**	**459.52**
*** Comprises**		
Cash on hand	1.34	0.96
Balance with banks:		
- In current account	34.78	458.54
- In EEFC accounts	0.03	0.01
- In deposit account	721.06	0.01
Total	**757.21**	**459.52**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director
DIN: 06469234

S Hariharan
Executive Director - Finance and Chief Financial Officer
DIN: 05297969

Sathya P. Koushik
Partner
Membership No.: 206920

Place : Bengaluru
Date : May 16, 2019

S Murali Krishna
Company Secretary
Membership No.: 13372

Place : Bengaluru
Date : May 16, 2019

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

₹ in Million

Particulars	Amount
Balance as at February 23, 2017	-
Changes in equity share capital during the period	
- Issued pursuant to the scheme (Refer note 37.1)	246.74
Balance as at March 31, 2018	**246.74**
Changes in equity share capital during the year	
- Issued during the year (Refer note 16 vi)	11.00
Balance as at March 31, 2019	**257.74**

B. OTHER EQUITY

₹ in Million

Particulars	Share application money pending allotment	Reserves and Surplus					Total equity attributable to equity holders of the company	Non-controlling interest	Total Equity
		Capital reserve	Securities premium account	Retained earnings	Share options outstanding account	Items of other comprehensive income - Foreign currency translation			
Balance as at February 23, 2017	-	-	-	-	-	-	-	-	-
Pursuant to the scheme (Refer note 37.1)	-	0.10	7,434.83	(43.67)	-	-	7,391.26	45.20	**7,436.46**
Profit for the period	-	-	-	3.77	-	-	3.77	(0.40)	**3.37**
Other comprehensive income for the period	-	-	-	(2.51)	-	0.52	(1.99)	-	**(1.99)**
Balance as at March 31, 2018	**-**	**0.10**	**7,434.83**	**(42.41)**	**-**	**0.52**	**7,393.04**	**44.80**	**7,437.84**
Share application money received on issue of warrants	1,480.00	-	-	-	-	-	1,480.00	-	**1,480.00**
Issue of shares pursuant to exercise of warrants	(440.00)	-	429.00	-	-	-	(11.00)	-	**(11.00)**
Share issue expenses (net of tax) (Refer note 17)	-	-	(57.88)	-	-	-	(57.88)	-	**(57.88)**
Profit for the year	-	-	-	595.27	-	-	595.27	(1.02)	**594.25**
Other comprehensive income for the year	-	-	-	(13.06)	-	(15.33)	(28.39)	-	**(28.39)**
Adjustment on account of transition to Ind AS 115 (Refer note 49)	-	-	-	(93.99)	-	-	(93.99)	-	**(93.99)**
Employee stock compensation expenses	-	-	-	-	23.89	-	23.89	-	**23.89**
Balance as at March 31, 2019	**1,040.00**	**0.10**	**7,805.95**	**445.81**	**23.89**	**(14.81)**	**9,300.94**	**43.78**	**9,344.72**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director
DIN: 06469234

S Hariharan
Executive Director - Finance and
Chief Financial Officer
DIN: 05297969

Sathya P. Koushik
Partner
Membership No.: 206920

Place : Bengaluru
Date : May 16, 2019

S Murali Krishna
Company Secretary
Membership No.: 13372

Place : Bengaluru
Date : May 16, 2019

1 BACKGROUND

Solara Active Pharma Sciences Limited, formerly known as SSL Pharma Sciences Limited, (hereinafter referred as "the Company") is a public limited Company incorporated on February 23, 2017 under the provisions of Companies Act, 2013 with the object of, inter alia, undertaking the business of manufacturing, production, processing, formulating, sale, import, export, merchandising, distributing, trading of and dealing in active pharmaceutical ingredients. The Company has its registered address at 201, Devavrata, Sector 17, Vashi, Navi Mumbai 400 703. Also, refer note 37.1 on Composite Scheme of Arrangement. The Company and its subsidiaries are together referred as "Group".

The consolidated financial statements were approved by the Board of Directors and authorised for issue on May 16, 2019.

These financial statements comprise the Consolidated Balance sheet of the Company, Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and Consolidated Cash flow statement, Consolidated statement of changes in equity and significant accounting policies and other explanatory information (together the "consolidated financial statements").

2.1 Significant accounting policies

(i) Statement of compliance

These consolidated financial statements have been prepared to comply in all material aspects with the 'Indian Accounting Standards' ("Ind AS") notified under Section 133 of the Companies Act, 2013(the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company, and other relevant provisions of the Act. Refer Note 37.1 for details of accounting for the Composite Scheme of Arrangement approved by National Company Law Tribunal.

(ii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as described in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(iii) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

-has power over the investee;

-is exposed, or has rights, to variable returns from its involvement with the investee; and

-has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

-the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

-potential voting rights held by the Company, other vote holders or other parties;

-rights arising from other contractual arrangements; and

-any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Details of subsidiaries considered in these consolidated financial statements.

Sr. No	Name of the Subsidiary	% of Holding	Country of Incorporation
1.	Chemsynth Laboratories Private Limited	49%	India
2.	Sequent Penems Private Limited	89.23%	India
3.	Shasun USA Inc	100%	USA
4.	Strides Chemicals Private Limited	100%	India

All the above companies are engaged in the business of Pharmaceutical products

(iv) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in Consolidated statement of profit and loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

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

(v) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

(vi) Revenue recognition

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government) and is recorded net of provisions for sales discounts and returns, which are established at the time of sale. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Where the collection of accounts receivable is expected to be after one year from the date of sale, revenues are discounted for the time value of money.

Sale of goods

The Group receives revenue for supply of pharmaceutical products to external customers against orders received. The majority of these contracts contain single performance obligation for supply of goods. The average duration of a customers' order is less than 12 months.

Revenue from sale of goods is recognised upon transfer of control to the customer. The point at which control passes depends on the terms set forth in the customer's contract. Generally, the control is transferred upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the product sold.

Sale of services
Revenue from development services is recognised on achievement of a development milestone and when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Revenue from fixed-price, fixed time frame contracts, where the performance obligations are satisfied overtime is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion, provided there is no uncertainty as to measurement or collectability of the consideration.

Royalties
Share of profits and royalty incomes under manufacturing and supply agreements with customers are accrued based on sales as confirmed by the customers.

(vii) Interest income

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

(viii)Export Incentives

Export incentives are accrued for based on fulfillment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/benefits from special import licenses and benefits under specified schemes as applicable.

(ix) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee
Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(x) Foreign currencies transactions and translation

Functional currency of an entity is the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Indian Rupees (₹), which is the functional currency of the parent company, Solara Active Pharma Sciences Limited. In respect of subsidiaries whose operations are self-contained and integrated within their respective countries/regions, the functional currency has been determined to be the local currency of those countries/regions.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on settlement or translation of monetary items are recognised in Consolidated Statement of Profit and Loss in the period in which they arise except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

(xi) Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Consolidated statement of profit and loss in the period in which they are incurred.

(xii) Employee benefits

Short term obligations

Liabilities for wages and salaries, including other benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Retirement benefit costs and termination benefits

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in Consolidated statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in Consolidated statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Consolidated balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Defined contribution plan

Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(xiii)Taxation

The income tax expense or credit for the year is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the Consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current and deferred tax for the period

Current and deferred tax are recognised in Consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(xiv) Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

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

Freehold land is not depreciated.
The non refundable payments made with respect to Land taken on finance lease (where there is an option to purchase the same at the end of the lease period) is classified under Property, plant and Equipment as "Lease hold Land".

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed to be different and are as under based on technical advice, 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.:

Dies and moulds	:	4 years
Mobiles phone	:	3 years
Vehicles	:	5 years

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

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

(xv) Investment property

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property are depreciated using the straight line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

(xvi)Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Consolidated statement of profit and loss when the asset is derecognised.

Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Product portfolio	:	10 years
Software Licenses	:	3 - 5 years

(xvii) Impairment of assets

Impairment of financial assets:

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

Impairment of goodwill

For the purposes of impairment testing, goodwill is allocated to cash-generating units. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which such goodwill arose.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in Consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of non-financial assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Consolidated statement of profit and loss.

(xviii) Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Cost is determined as follows:

Raw materials, packing materials and consumables: weighted average basis

Work-in progress: at material cost and an appropriate share of production overheads

Finished goods: material cost and an appropriate share of production overheads

Stock-in trade: weighted average basis

(xix)Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

(xx) Contingent liabilities

Contingent liabilities are disclosed in notes when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(xxi)Financial instruments

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

Financial assets and financial liabilities
Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:
Other financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Consolidated statement of profit and loss.

Subsequent measurement:
Financial assets at amortised cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss: Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the Consolidated statement of profit and loss.

Financial liabilities are measured at amortised cost using effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial assets and liabilities:
The Company derecognises the financial asset only when the contractual rights to the cashflows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of the ownership of the asset to the other entity . If the Company neither transfers nor retains substantially all risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and associated liability for the amounts it may have to pay . If the Company retains substantially all risks and rewards of the ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collaterized borrowing for the proceeds received. Financial liabilities are derecognised when these are extingushed, that is when the obligation is discharged, cancelled or has expired.

Equity instruments
An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

(xxii) Operating Cycle

Based on 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. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

(xxiii) Critical accounting judgement and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgement

Chemsynth Laboratories Private Limited ("Chemsynth") is considered subsidiary of the Group even though the Group and non-controlling interests have about 50% of the ownership interest and the voting rights. The directors of the Company assessed whether or not the Group has control over Chemsynth based on whether the Group has the practical ability to direct the relevant activities unilaterally. Based on such assessment, the directors concluded that the Group has sufficient management rights to unilaterally direct the relevant activities of Chemsynth and therefore the Group has control.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill and other non-financial assets

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a impairment loss may arise.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

Litigations

The Company is a party to certain indirect tax disputes. Uncertain tax items for which a provision is made relate principally to the interpretation of tax legislation applicable to arrangements entered into by the Company. Due to the uncertainty associated with such tax items, it is possible that, on conclusion of open tax matters at a future date, the final outcome may differ significantly.

(xxiv) Standards / amendments not yet effective

Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17."

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application either by:

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Certain practical expedients are available under both the methods.

The Group is currently assessing the impact on adoption of this standard on the Group's financial statements"

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

The Group is evaluating the effect of the above on its financial statements."

Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Group is evaluating the effect of the above on its financial statements."

Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019.

The Group is currently evaluating the effect of this amendment on the financial statements.

NOTE NO. 3 (i) PROPERTY, PLANT AND EQUIPMENT

₹ in Million

Particulars	Gross block							Accumulated depreciation					Net block	
	As at 1-Apr-2018	Additions pursuant to the Scheme (Refer Note 37.1)	Additions pursuant to business acquisition (Refer Note 37.2)	Additions	Disposals	Derecognised on disposal of business (Refer Note 38)	As at 31-Mar-2019	As at 1-Apr-2018	Depreciation expense for the period	Eliminated on disposal of assets	Eliminated on disposal of business (Refer Note 38)	As at 31-Mar-2019	As at 31-Mar-2019	As at 31-Mar-2018
Land:														
- Freehold	614.02	-	-	21.76	-	-	635.78	-	-	-	-	-	635.78	614.02
	-	(608.78)	-	(5.24)	-	-	(614.02)	-	-	-	-	-	(614.02)	-
Leasehold Land under finance lease	-	-	-	185.15	-	-	185.15	-	1.71	-	-	1.71	183.44	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	132.11	-	-	10.87	-	-	142.98	7.34	27.42	-	-	34.76	108.22	124.77
	-	(12.12)	(119.99)	-	-	-	(132.11)	-	(7.34)	-	-	(7.34)	(124.77)	-
Buildings	1,712.91	-	266.41	66.65	0.29	107.24	1,938.44	38.36	81.13	0.05	3.93	115.51	1,822.93	1,674.55
	-	(1,535.73)	-	(177.18)	-	-	(1,712.91)	-	(38.36)	-	-	(38.36)	(1,674.55)	-
Plant and Machinery	3,647.58	-	725.83	712.56	2.41	190.05	4,893.51	190.29	517.86	0.17	25.67	682.31	4,211.20	3,457.29
	-	(3,249.11)	(54.20)	(344.27)	-	-	(3,647.58)	-	(190.29)	-	-	(190.29)	(3,457.29)	-
Furniture and fixtures	38.77	-	15.07	2.55	0.88	2.75	52.76	2.44	7.14	0.13	0.59	8.86	43.90	36.33
	-	(30.92)	(6.87)	(0.98)	-	-	(38.77)	-	(2.44)	-	-	(2.44)	(36.33)	-
Vehicles	7.84	-	-	-	-	0.09	7.75	1.06	2.02	-	0.02	3.06	4.69	6.78
	-	(7.84)	-	-	-	-	(7.84)	-	(1.06)	-	-	(1.06)	(6.78)	-
Office equipments	148.94	-	34.82	93.84	-	0.34	277.26	22.01	61.70	-	0.08	83.63	193.63	126.93
	-	(91.46)	(41.92)	(15.56)	-	-	(148.94)	-	(22.01)	-	-	(22.01)	(126.93)	-
Total	**6,302.17**	**-**	**1,042.13**	**1,093.38**	**3.58**	**300.47**	**8,133.63**	**261.50**	**698.98**	**0.35**	**30.29**	**929.84**	**7,203.79**	**6,040.67**
Previous year	**-**	**(5,535.96)**	**(222.98)**	**(543.23)**	**-**	**-**	**(6,302.17)**	**-**	**(261.50)**	**-**	**-**	**(261.50)**	**(6,040.67)**	**-**

Refer note 19 for properties pledged as security towards borrowings

NOTE NO. 3 (ii) CAPITAL WORK IN PROGRESS

₹ in Million

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Opening balance	714.83	-
Add: Pursuant to the scheme (Refer note 37.1)	-	547.04
Add: Pursuant to business acquisition (Refer note 37.2)	124.22	200.75
Less: Capitalised during the period (net)	(435.34)	(32.96)
Closing balance	**403.71**	**714.83**

NOTE NO. 4 INVESTMENT PROPERTY

₹ in Million

Particulars	Gross block						Accumulated depreciation					Net block	
	As at 1-Apr-2018	Additions pursuant to the Scheme (Refer Note 37.1)	Additions pursuant to business acquisition (Refer Note 37.2)	Additions	Disposals	Derecognised on disposal of business (Refer Note 38)	As at 31-Mar-2019	As at 1-Apr-2018	Depreciation expense for the period	Eliminated on disposal of assets	Eliminated on disposal of business (Refer Note 38)	As at 31-Mar-2019	As at 31-Mar-2019	As at 31-Mar-2018
Land	84.40	-	-	-	-	-	84.40	-	-	-	-	-	84.40	84.40
	-	(84.40)	-	-	-	-	(84.40)	-	-	-	-	-	(84.40)	-
Building	143.25	-	75.96	-	-	-	219.21	2.47	6.70	-	-	9.17	210.04	140.78
	-	(143.25)	-	-	-	-	(143.25)	-	(2.47)	-	-	(2.47)	(140.78)	-
Total	**227.65**	**-**	**75.96**	**-**	**-**	**-**	**303.61**	**2.47**	**6.70**	**-**	**-**	**9.17**	**294.44**	**225.18**
Previous year	**-**	**(227.65)**	**-**	**-**	**-**	**-**	**(227.65)**	**-**	**(2.47)**	**-**	**-**	**(2.47)**	**(225.18)**	**-**

(i) Details of Assets given under operating lease:

₹ in Million

Particulars	Gross Block		Net Block	
	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018
Land	82.43	82.43	82.43	82.43
Building	219.21	143.25	210.04	140.78

(ii) Details of Assets held for capital appreciation:

₹ in Million

Particulars	Gross Block		Net Block	
	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018
Land	1.97	1.97	1.97	1.97

(iii) Fair value of Investment properties:

The Group obtains independent valuations for its investment properties once in three years. The latest fair valuation of these investment properties were carried out as at October 01, 2017 which indicated fair value of ₹ 226.99 million. The inputs used are as follows:

a) Monthly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property; and

b) Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition."

(iv) Refer note 19 for properties pledged as security towards borrowings.

NOTE NO. 5 GOODWILL

₹ in Million

Particulars	As at 01-Apr-2018	Additions pursuant to the Scheme (Refer Note 37.1)	Additions pursuant to business acquisition (Refer Note 37.2)	As at 31-Mar-2019
Goodwill	3,585.71	-	0.59	3,586.30
	-	(3,581.39)	(4.32)	(3,585.71)
Total	**3,585.71**	**-**	**0.59**	**3,586.30**
Previous year	**-**	**(3,581.39)**	**(4.32)**	**(3,585.71)**

The above goodwill is allocated to the following cash generating units:

₹ in Million

	As at 31-Mar-2019	As at 31-Mar-2018
Human API business	3,581.39	3,581.39
R&D business	4.32	4.32
Strides Chemicals Private Limited	0.59	-
Total	**3,586.30**	**3,585.71**

Impairment assessment of goodwill allocated to the “Human API business” as at March 31, 2019:

The Management of the Company have performed annual impairment assessment of the goodwill by determining the “value in use” of this Cash Generating Unit (CGU) as an aggregate of present value of cash flow projections covering a five year period and the terminal value. Determination of value in use involves significant estimates and assumptions that affect the reporting CGU’s expected future cash flows. These estimates and assumptions, primarily include, but are not limited to, the revenue growth and profitability during the forecast period, the discount rate and the terminal growth rate. Considering the historical performance of this business since acqusition and based on the forward looking estimates, revisions were made to the cash flow projections and other key assumptions such as discount rate and the terminal growth rate. The cash flows are discounted using a post tax discount rate of 12%. The terminal value of cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long term growth rate of 4% p.a. which is consistent with the industry forecasts for the generic API market.The above assessment did not result in impairment in the carrying amout of goodwill.The table below shows the percentage movement in key assumptions that (individually) would be required to reach the point at which the value in use approximates its carrying value.

	Movement
Terminal growth rate	3.25% decrease
Post tax discount rate	2% increase
Expected net revenue growth rates	11% decrease

NOTE NO. 6 OTHER INTANGIBLE ASSETS

₹ in Million

Particulars	Gross block							Accumulated Amortisation					Net block	
	As at 1-Apr-2018	Additions pursuant to the Scheme (Refer Note 37.1)	Additions pursuant to business acquisition (Refer Note 37.2)	Additions	Disposals	Derecognised on disposal of business (Refer Note 38)	As at 31-Mar-2019	As at 1-Apr-2018	Amortisation expense for the period	Eliminated on disposal of assets	Eliminated on disposal of business (Refer Note 38)	As at 31-Mar-2019	As at 31-Mar-2019	As at 31-Mar-2018
Registration and brands	-	-	21.34	20.51	-	-	41.85	-	2.54	-	-	2.54	39.31	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product portfolio (Refer note (i) below)	1,055.00	-	-	1.45	-	-	1,056.45	52.75	106.61	-	-	159.36	897.09	1,002.25
	-	(1,055.00)	-	-	-	-	(1,055.00)	-	(52.75)	-	-	(52.75)	(1,002.25)	-
Software licenses	55.86	-	15.19	99.98	-	9.24	161.79	50.37	22.21	-	3.10	69.48	92.31	5.49
	-	(46.44)	-	(9.42)	-	-	(55.86)	-	(50.37)	-	-	(50.37)	(5.49)	-
Total	**1,110.86**	**-**	**36.53**	**121.94**	**-**	**9.24**	**1,260.09**	**103.12**	**131.36**	**-**	**3.10**	**231.38**	**1,028.71**	**1,007.74**
Previous year	**-**	**(1,101.44)**	**-**	**(9.42)**	**-**	**-**	**(1,110.86)**	**-**	**(103.12)**	**-**	**-**	**(103.12)**	**(1,007.74)**	**-**

Note (i) The remaining amortisation period of product portfolio as at March 31, 2019 is 8.5 years

NOTE NO. 7 INVESTMENTS

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Investments carried at amortised cost:		
Equity shares, unquoted		
Beta Wind Farm Private Limited, India		
- Nil (As at March 31, 2018 - 334,276) equity shares of ₹ 10/- each, fully paid up	-	6.35
Tulysan Nec Limited, India		
- 3,750 (As at March 31, 2018 - 45,000) shares of ₹ 10 each fully paid up	0.11	1.35
Watsun Infrabuild Private Limited, India		
-3,60,361 (As at March 31, 2018 - Nil) equity shares of ₹ 10/- each, fully paid up	3.60	-
SIPCOT Industrial Common Utilities Limited, India		
- 4,242 (As at March 31, 2018 - 4,242) shares of ₹ 100/- each, fully paid up	0.42	0.42
Total	**4.13**	**8.12**
Aggregate amount of unquoted investments	4.13	8.12
Aggregate amount financial assets carried at cost	-	-
Aggregate amount financial assets carried at amortised cost	4.13	8.12

NOTE NO. 8 LOANS

(i) Non-current loans

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Loans receivable considered good - unsecured:		
- Receivable from Employees	0.23	0.42
Total	**0.23**	**0.42**

(ii) Current loans

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Loans receivable considered good - unsecured:		
- Receivable from Employees	23.38	19.99
Total	**23.38**	**19.99**

NOTE NO. 9 OTHER FINANCIAL ASSETS

(i) Non-current financial assets

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Unsecured, considered good:		
- Security deposits	106.61	74.73
- Loan to other party	4.50	4.50
Total	**111.11**	**79.23**

ii) Current financial assets

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Unsecured, considered good:		
Interest accrued on deposit	4.90	1.62
Incentives receivables	155.88	130.80
Others	4.38	12.27
Total	**165.16**	**144.69**

NOTE NO. 10 INCOME TAX ASSETS (NET)

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Advance income tax (net of provisions)	42.99	27.03
Total	**42.99**	**27.03**

NOTE NO. 11 OTHER ASSETS

(i) Other non-current assets

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Unsecured, considered good:		
Capital advances	132.07	280.57
Advances to other parties	75.50	75.50
Prepaid expenses	146.69	87.31
Balances with government authorities		
- VAT/CST refund receivable	24.16	3.02
- Taxes paid under protest	0.38	1.24
Unsecured, considered doubtful:		
Capital advances	3.89	1.98
Less: Allowances for doubtful advances	(3.89)	(1.98)
	-	-
Total	**378.80**	**447.64**

(ii) Other current assets

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Unsecured, considered good:		
Advances to suppliers of material	169.00	157.23
Advances to employees	3.51	2.10
Advances to related parties	-	172.07
Advances to Others	0.13	-
Prepaid expenses	61.33	79.90
Balances with government authorities:		
- GST credit & other receivable	264.72	514.68
- VAT/CST refund receivable	-	15.57
Others	1.61	-
Unsecured, considered doubtful:		
Advances to suppliers of materials	0.41	0.88
Less: Allowances for doubtful advances	(0.41)	(0.88)
	-	-
Total	**500.30**	**941.55**

NOTE NO. 12 INVENTORIES

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Raw materials	834.42	808.16
- Goods-in-transit	77.92	45.38
Work-in-progress	1,001.33	695.68
Finished goods	245.60	293.56
Stores and spares	44.76	33.82
Total*	**2,204.03**	**1,876.60**

* Value by which inventories have been written down to net realisable value amounted to ₹ 160.43 million (previous year: 72.07 million)

NOTE NO. 13 TRADE RECEIVABLES

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Trade receivables considered good - unsecured	2,887.98	2,625.20
Trade receivables - credit impaired	17.08	23.45
	2,905.06	2,648.65
Less: Allowances for doubtful receivables	(17.08)	(23.45)
Total	**2,887.98**	**2,625.20**

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

Movement in Expected credit loss allowance:

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Opening balance	23.45	-
Add: Pursuant to the scheme (Refer note 37.1)	-	23.45
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected	(6.37)	-
Closing balance	**17.08**	**23.45**

NOTE NO. 14 CASH AND CASH EQUIVALENTS

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Cash on hand	1.34	0.96
Balance with banks:		
- In current account	34.78	458.54
- In EEFC accounts	0.03	0.01
- In deposit account	721.06	0.01
Total	**757.21**	**459.52**

NOTE NO. 15 OTHER BALANCES WITH BANKS

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Balance held as margin money		
- against working capital facilities with banks	0.47	1.36
- against borrowings facilities with banks	7.00	9.20
Total	**7.47**	**10.56**

NOTE NO. 16 EQUITY SHARE CAPITAL

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Authorised		
40,000,000 Equity shares of ₹ 10/- each with voting rights	400.00	300.00
(March 31, 2018: 30,000,000 equity shares of ₹ 10/-)		
	400.00	**300.00**
Issued, subscribed and fully paid-up		
25,774,267 Equity shares of ₹ 10/- each with voting rights	257.74	246.74
(March 31, 2018: 24,674,267* equity shares of ₹ 10/-)		
Total	**257.74**	**246.74**

* As explained in note 37.1, in accordance with the requirements of the Scheme, the equity shares have been issued on April 11, 2018. However, solely for the purpose of compliance with the accounting treatment specified in the Scheme, the effect for issue of these shares has been given on the appointed date of the Scheme being October 1, 2017 and hence recorded as share capital although such shares were pending allotment as at March 31, 2018.

NOTES

forming part of the consolidated financial statements

(i) Reconciliation of number of shares and amount outstanding

Particulars	As at 31-Mar-19		As at 31-Mar-18	
	No. of shares	₹ In Million	No. of shares	₹ In Million
Equity share capital				
Equity share of ₹ 10/- each				
Opening balance	**24,674,267**	**246.74**	-	-
Issue of shares during the period (Refer note 16(vi))	1,100,000	11.00	10,000	0.10
Issue of shares pursuant to the scheme (Refer note 37.1)	-	-	24,674,267	246.74
Cancellaltion of shares pursuant to the scheme (Refer note 37.1)	-	-	(10,000)	(0.10)
Balance as at 31-Mar-19	**25,774,267**	**257.74**	**24,674,267**	**246.74**

(ii) Detail of the rights, preferences and restrictions attaching to each class of shares outstanding equity shares of ₹ 10/- each:

The Company has only one class of equity shares, having a par value of ₹ 10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) Details of equity shares held by each shareholder holding more than 5% of shares:

Particulars	As at 31-Mar-19		As at 31-Mar-18	
	No. of Shares	%	No. of Shares	%
Pronomz Ventures LLP	3,190,831	12.38%	3,190,831	12.93%
Arun Kumar	1,668,463	6.47%	1,168,463	4.74%
SBI Magnum Multiplier Fund	1,342,351	5.21%	1,628,786	6.60%
K R Ravishankar	1,325,260	5.14%	1,325,260	5.37%

(iv) Details of shares reserved for issue under options and contracts/commitments for the sale of shares:

Particulars	As at 31-Mar-19		As at 31-Mar-18	
	No. of Shares	Amount	No. of Shares	Amount
For convertible warrants: 9,400,000 equity shares of ₹ 10/- each	9,400,000	94.00	-	-
Under employee stock option scheme, 2018: 12,28,778 equity shares of ₹ 10/- each	1,228,778	12.29	-	-

(v) 24,674,267 Number of equity shares were issued for consideration other than cash, pursuant to the Scheme as explained in note 37.1.

(vi) During the year ended March 31, 2019, pursuant to shareholders approval at the extraordinary general meeting held on February 27, 2019, the company has issued 6,500,000 convertible warrants of ₹ 10/- each at a premium of ₹ 390/- per warrant to promoters group and 4,000,000 convertible warrants of ₹ 10/- each at a premium of ₹ 490/- per warrant to M/s. TPG Growth IV SF Pte. Ltd ("Investor") after obtaining the approval of BSE and National Stock Exchange of India. The terms of conversion required that the warrant to be converted into one equity share of ₹ 10/- each within eighteen months from the date of allotment of warrants. The Company has received preliminary consideration of ₹ 650 Million and ₹ 500 Million from promoters group and investor respectively towards allotment of 10,500,000 convertible warrants during the year.

Subsequent to allotment of the warrants, the promoter group comprising of Mr. Arun Kumar Pillai and M/s Karuna Business Solutions LLP have exercised their option to convert 1,100,000 warrants into equivalent equity shares which was approved by the board of directors at their meeting held on March 26, 2019. On receipt of balance consideration of ₹ 330 Million, 11,00,000 equity shares were allotted on March 26, 2019.

NOTE NO. 17 OTHER EQUITY

₹ in Million

Particulars	Notes	As at 31-Mar-19	As at 31-Mar-18
Capital reserve	17 (i)	0.10	0.10
Securities premium account	17 (ii)	7,805.95	7,434.83
Retained earnings	17 (iii)	445.81	(42.41)
Share options outstanding account	17 (iv)	23.89	-
Share application money pending allotment (Refer note 16 vi)	17 (v)	1,040.00	-
Foreign currency translation reserve	17 (vi)	(14.81)	0.52
Total		**9,300.94**	**7,393.04**

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
(A) Reserves and surplus		
(i) Capital reserve		
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.		
Opening balance	0.10	-
Add: Pursuant to the scheme (Refer note 37.1)	-	0.10
Closing balance	**0.10**	**0.10**
(ii) Securities premium account		
Amounts received on issue of shares in excess of the par value has been classified as securities premium.		
Opening balance	7,434.83	-
Add: Pursuant to the scheme (Refer note 37.1)	-	7,434.83
Add: Premium on shares issued during the year (Refer note 16 vi)	429.00	-
Less: Shares issue expenses	(57.88)	-
Closing balance	**7,805.95**	**7,434.83**
(iii) Retained earnings		
Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.		
Opening balance	(42.41)	-
Add: Pursuant to the scheme (Refer note 37.1)	-	(43.67)
Add: Profit\(loss) for the period	595.27	3.77
Add: Remeasurement of the defined benefit liabilities (net of tax)	(13.06)	(2.51)
Less: Adjustment on account of transition to Ind AS 115 (Refer note 48)	(93.99)	-
Closing balance	**445.81**	**(42.41)**
(iv) Share options outstanding account		
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account will be transferred to securities premium reserve upon exercise of stock options by employees.		
Opening balance	-	-
Add: Amounts recorded on grants / (cancellations) during the year	23.89	-
Less: Transferred to securities premium account on exercise (net)	-	-
Closing balance	**23.89**	**-**

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
(v) Share application money pending allotment		
Share application money pending allotment account represents the share allotment monies received by the company but pending allotment as on the reporting date.		
Opening balance	-	-
Add: Share application money received on account of issue of warrants (Refer note 16 vi)	1,480.00	-
Less: Issue of shares pursuant to exercise of warrants	(440.00)	-
Closing balance	**1,040.00**	**-**
Total Reserves and surplus (A)	**9,315.75**	**7,392.52**
(B) Items of other comprehensive income		
(vi) Foreign currency translation reserve		
Foreign currency translation reserve comprises of exchange gain/(loss) arising on translation of foreign subsidiary		
Opening balance	**0.52**	**-**
Add / (Less): Movement during the period	**(15.33)**	**0.52**
Closing balance	**(14.81)**	**0.52**
Total items of other comprehensive income (B)	**(14.81)**	**0.52**
Other equity [(A) + (B)]	**9,300.94**	**7,393.04**

NOTE NO. 18 NON-CONTROLLING INTERESTS

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Opening balance	44.80	-
Add / (Less): Pursuant to the scheme (Refer note 37.1)	-	45.20
Add / (Less): Profit/(loss) for the period	(1.02)	(0.40)
Closing balance	**43.78**	**44.80**

NOTE NO. 19 BORROWINGS

(i) Non-current borrowings

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Secured		
- Term loans from banks (Refer note (i) to (viii) below)	1,918.50	1,817.06
- Term loans from others (Refer note (ix) to (x) below)	293.17	611.56
- Finance lease obligation (Refer note (xi) below)	38.05	-
Total	**2,249.72**	**2,428.62**

Details of security and terms of repayment of non-current borrowings

₹ in Million

Terms of repayment and security		As at 31-Mar-19	As at 31-Mar-18
(i)	Term loan from banks: Loan 1		
	Long-term borrowings	-	20.62
	Current maturities of non-current borrowings	-	81.46
	Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company. Rate of interest: 4.49% to 5%p.a, repayable in USD		

₹ in Million

Terms of repayment and security	As at 31-Mar-19	As at 31-Mar-18
(ii) Term loan from banks: Loan 2		
Long-term borrowings	-	462.96
Current maturities of non-current borrowings	-	25.00
Security: Paripassu first charge on all fixed assets of the company including intangibles and second charge on entire current assets of the Company. Rate of interest: - 1 Year MCLR plus 1.4% p.a.		
(iii) Term loan from banks: Loan 3		
Long-term borrowings	-	688.64
Current maturities of non-current borrowings	-	37.50
Security: Paripassu first charge on all fixed assets of the company including intangibles and second charge on entire current assets of the Company. Rate of interest: - 1 Year MCLR plus 1.15% p.a		
(iv) Term loan from banks: Loan 4		
Long-term borrowings	192.92	-
Current maturities of non-current borrowings	-	-
Security: Paripassu first charge on all fixed assets of the company including intangibles and second charge on entire current assets of the Company. Rate of interest: - 1 Year MCLR plus 1.30% p.a Repayment terms: Repayable in 20 quarterly instalments after an initial moratorium period of 24 months.		
(v) Term loan from banks: Loan 5		
Long-term borrowings	853.26	-
Current maturities of non-current borrowings	375.00	-
Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company. Rate of interest: - 9.70% p.a Repayment terms: Repayable in monthly instalments of ₹ 31.25 Million -Starts from April 2019		
(vi) Term loans from bank : Loan 6		
Long-term borrowings	-	-
Current maturities of non-current borrowings	-	45.09
Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company. Rate of interest: 1 Year MCLR plus 1.9% p.a.		
(vii) Term loans from bank : Loan 7		
Long-term borrowings	-	48.21
Current maturities of non-current borrowings	-	33.62
Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company. Rate of interest: 1 Year MCLR plus 1.9% p.a.		
(viii) Term loans from bank : Loan 8		
Long-term borrowings	872.32	596.63
Current maturities of non-current borrowings	283.33	150.00
Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company. Rate of interest: IDFC Bank MCLR plus Spread Repayment terms: Repayable in 60 monthly instalments for each tranche of drawdown beginning in the subsequent month		
(ix) Term loans from others : Loan 9		
Long-term borrowings	-	1.16
Current maturities of non-current borrowings	-	0.29
Security: Paripassu first charge on Innova car. Rate of interest: 9.06% p.a		

₹ in Million

Terms of repayment and security		As at 31-Mar-19	As at 31-Mar-18
(x)	Term loans from others : Loan 10		
	Long-term borrowings	293.17	610.40
	Current maturities of non-current borrowings	325.00	225.00
	Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company. Rate of interest: Yes Bank Base rate Repayment terms: Repayable in 14 quarterly instalments -First six instalments ₹ 50 Million, 7 to 10 instalments ₹ 75 Million and 11 to 14 instalments ₹ 10 Million		
(xi)	Finance lease obligations : Loan 11		
	Long-term borrowings	38.05	-
	Current maturities of finance lease obligations	2.94	-
	Rate of interest: 10.90% p.a Repayment terms: Payable in 396 monthly instalments commencing from December 2018. The outstanding term as at March 31, 2019 is 392 instalments.		

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Disclosed under non-current borrowings	2,249.72	2,428.62
Disclosed under other current financial liabilities		
-Current maturities of non-current borrowings	983.33	597.96
-Current maturities of finance lease obligations	2.94	-

(ii) Current borrowings

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Secured loans repayable on demand from banks:		
- Working capital loans	2,144.55	3,302.14
Total	**2,144.55**	**3,302.14**

Details of security and terms of repayment for current borrowings:

a) Working capital loans from banks are secured by first pari passu charge over current assets of the Company and second pari passu charge on movable and immovable fixed assets of the Company.

b) Rate of interest for INR borrowings ranges from 9.30% to 11.25%

c) Rate of interest for USD borrowings ranges from 3.25% to 6.90%

Reconciliation of liabilities arising from financing activities

₹ in Million

Particulars		31-Mar-18	Financing Cash Flow	Non-cash changes			31-Mar-19
				Acquisition	Foreign exchange movement	Fair value change/others	
(a)	**Non-current Borrowings**						
	Borrowings from bank	2,190.02	391.14	-	(4.33)	-	2,576.83
	Borrowings from other financial institution	836.56	(218.39)	-	-	-	618.17
	Lease Liabilities	-	40.99	-	-	-	40.99
(b)	**Current Borrowings**	3,302.14	(1,094.45)	-	(63.14)	-	2,144.55
Total Borrowings		**6,328.72**	**(880.71)**	**-**	**(67.47)**	**-**	**5,380.54**

NOTE NO. 20 OTHER FINANCIAL LIABILITIES

(i) Other Non-current financial liabilities

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Loan from related parties	0.48	-
Security deposits	6.70	2.50
Total	**7.18**	**2.50**

(ii) Other Current financial liabilities

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Current maturities of non-current borrowings (Refer note 19(i))	983.33	597.96
Current maturities of finance lease obligations (Refer note 19(i))	2.94	-
Loan from related parties	-	1.74
Interest accrued but not due on borrowings	4.78	15.19
Other payables:		
- Payables on purchase of property, plant and equipment	88.53	78.18
- Payables on acquisition of investments (Refer note 37.2 (a) (ii))	551.00	-
Total	**1,630.58**	**693.07**

NOTE NO. 21 PROVISIONS

(i) Non-current provisions

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Provision for employee benefits:		
- Compensated absences	88.89	73.15
Total	**88.89**	**73.15**

(ii) Current provisions

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Provision for employee benefits:		
- Compensated absences	15.60	12.73
Total	**15.60**	**12.73**

NOTE NO. 22

(i) Deferred tax assets (net)

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Deferred tax asset on account of:		
Carry forward business loss and unabsorbed depreciation	0.65	0.65
Total	**0.65**	**0.65**

(ii) Deferred tax liabilities/(assets) (net)

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Deferred tax liabilities/(assets) in relation to:		
Property, plant and equipment	555.54	352.55
Intangible assets - Other than Goodwill	313.04	346.86
Provision for employee benefits	(124.51)	(104.45)
Carry forward business loss and unabsorbed depreciation	(223.50)	(98.35)
Provision for doubtful debts and others	(49.83)	(8.12)
MAT Credit entitlement	(142.49)	(4.17)
	328.25	**484.32**

₹ in Million

2018-19	Opening balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Acquisitions / disposals	Closing balance
Property, plant and equipment	352.55	206.07	-	(3.08)	555.54
Intangible assets - Other than Goodwill	346.86	(33.82)	-	-	313.04
Provision for employee benefits	(104.45)	(7.57)	(7.08)	(5.41)	(124.51)
Carry forward business loss and unabsorbed depreciation	(98.35)	(125.15)	-	-	(223.50)
Provision for doubtful debts and others	(8.12)	(41.71)	-	-	(49.83)
MAT Credit entitlement	(4.17)	(138.32)	-	-	(142.49)
Total	**484.32**	**(140.50)**	**(7.08)**	**(8.49)**	**328.25**

₹ in Million

2017-18	Opening balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Additions pursuant to the Scheme (Refer Note 37.1)	Closing balance
Property, plant and equipment	-	-	-	352.55	352.55
Intangible assets - Other than Goodwill	-	-	-	346.86	346.86
Provision for employee benefits	-	-	-	(104.45)	(104.45)
Carry forward business loss and unabsorbed depreciation	-	-	-	(98.35)	(98.35)
Provision for doubtful debts and others	-	-	-	(8.12)	(8.12)
MAT Credit entitlement	-	(4.17)	-	-	(4.17)
Total	**-**	**(4.17)**	**-**	**488.49**	**484.32**

NOTE NO. 23 OTHER LIABILITIES

(i) Other non-current liabilities

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Contract liability:		
- Advance from customers	518.63	-
- Income received in advance (unearned revenue)	51.29	-
Provision for employee benefits:		
- Gratuity (Refer note 40)	199.02	162.67
Total	**768.94**	**162.67**

(ii) Other current liabilities

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Contract liability:		
- Advance from customers	212.36	160.43
- Income received in advance (unearned revenue)	27.62	-
Other payables:		
- Advance rentals	11.34	-
- Statutory remittances	40.44	47.33
Total	**291.76**	**207.76**

During the year ended March 31, 2019, the company recognized revenue of ₹ 160.43 Million arising from opening contract liability as of April 1, 2018.

NOTE NO. 24 TRADE PAYABLES

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Trade payables:		
- Total outstanding dues of micro enterprises and small enterprises	16.17	39.70
- Total outstanding dues of creditors other than micro and small enterprises	2,427.77	3,089.03
Total	**2,443.94**	**3,128.73**

Disclosure required under section 22 of the micro, small and Medium Enterprises Development Act,2006

₹ in Million

Particulars		As at 31-Mar-19	As at 31-Mar-18
(i)	Principal amount remaining unpaid to any suppliers as at the end of the accounting year	16.17	39.70
(ii)	Interest due thereon remaining unpaid to any suppliers as at the end of the accounting year	-	-
(iii)	The amount of interest paid along with the amounts of the payment made to the suppliers beyond the appointed day	-	-
(iv)	The amount of interest due and payable for the year	-	-
(v)	The Amount of the interest accrued and remaining unpaid at the end of the accounting Year	-	-
(vi)	The amount of the future interest due and payable even In the succeeding year ,until such date when the interest dues as above are actually paid	-	-

Dues to micro and small enterprises have been admitted to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

NOTE NO. 25 CURRENT INCOME TAX LIABILITIES (NET)

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Provision for tax (net of advance tax)	28.52	35.06
Total	**28.52**	**35.06**

NOTES

forming part of the consolidated financial statements

NOTE NO. 26 REVENUE FROM OPERATIONS

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Sale of products	12,917.56	4,983.93
Sale of services	303.27	31.09
Other operating revenues	645.94	194.71
Total	**13,866.77**	**5,209.73**

Refer Note 44 for disaggregated revenues from contracts with customers by geography.

Performance obligations and remaining performance obligations:
The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

NOTE NO. 27 OTHER INCOME

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Interest income (Refer note (i) below)	16.05	3.30
Other non-operating income		
- Liabilities / provisions no longer required written back	28.75	8.21
- Profit on sale of property, plant and equipment (net)	4.37	2.19
- Others	74.67	10.88
Total	**123.84**	**24.58**

Note:

(i) Interest income comprises:

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Interest from banks on deposits	14.10	2.96
Interest from others	1.95	0.34
Total	**16.05**	**3.30**

NOTE NO. 28 COST OF MATERIALS CONSUMED

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Opening stock	853.54	-
Add: Purchases	7,295.60	2,795.81
Less: Opening stock of business disposed during the year (Refer note 38)	(58.25)	-
Add: Opening stock of business acquired during the year (Refer note 37.2(a)(ii))	116.83	-
Pursuant to the Scheme as at October 1, 2017 (Refer note 37.1)	-	760.04
Less: Closing stock	(912.34)	(853.54)
Cost of materials consumed	**7,295.38**	**2,702.31**

NOTE NO. 29 PURCHASE OF TRADED GOODS

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Traded goods	90.75	40.54
Total	**90.75**	**40.54**

NOTE NO. 30 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Inventories at the end of the year:		
- Finished goods	245.60	293.56
- Work-in-progress	1,001.33	695.68
	1,246.93	**989.24**
Closing stock pertaining to business disposed during the year (Refer note 38)		
- Finished goods	-	(13.06)
- Work-in-progress	-	(107.04)
	-	**(120.10)**
Inventories at the beginning of the year		
- Finished goods	293.56	-
- Work-in-progress	695.68	-
	989.24	**-**
Add: Inventories transferred to the company pursuant to the scheme (Refer note 37.1)		
- Finished goods	-	350.54
- Work-in-progress	-	574.28
	-	**924.82**
Add: Opening stock of business acquired during the year (Refer note 37.2(a)(ii))		
- Finished goods	19.86	-
- Work-in-progress	19.99	-
	39.85	**-**
Less: Opening stock pertaining to business disposed during the year (Refer note 38)		
- Finished goods	(13.06)	(14.16)
- Work-in-progress	(107.04)	(66.30)
	(120.10)	**(80.46)**
Net (increase) / decrease	**(337.94)**	**(24.78)**

NOTE NO. 31 EMPLOYEE BENEFITS EXPENSES

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Salaries and wages	1,546.38	537.56
Contribution to provident and other funds (Refer note 40)	142.94	68.55
Expense on employee share based payments (Refer note 46)	23.89	-
Expense on employee share based payments offered by other party	-	3.80
Staff welfare expenses	144.91	75.40
Total	**1,858.12**	**685.31**

NOTES

forming part of the consolidated financial statements

NOTE NO. 32 FINANCE COSTS

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Interest expense on:		
- Borrowings	731.92	229.04
- Delayed payment of income tax	0.69	-
- Others	6.37	-
Exchange differences regarded as an adjustment to borrowing costs	67.42	-
Other borrowing cost	25.86	22.32
Less : Capitalised during the year	(8.05)	-
Total	**824.21**	**251.36**

NOTE NO. 33 DEPRECIATION AND AMORTISATION EXPENSES

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Depreciation on Property, plant and equipment (Refer note 3(i))	698.98	261.50
Depreciation on Investment property (Refer note 4)	6.70	2.47
Amortisation on Intangible assets (Refer note 6)	131.36	103.12
Total	**837.04**	**367.09**
- from continuing operations	830.89	339.83
- from discontinued operations	6.15	27.26

NOTE NO. 34 OTHER EXPENSES

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Subcontracting	160.69	98.98
Power and fuel	775.60	306.56
Water	17.90	7.51
Rent including lease rentals (Refer note 41)	46.56	17.41
Repairs and maintenance:		
- Buildings	35.57	13.79
- Machinery	151.86	67.62
- Others	307.99	131.56
Insurance	43.89	26.48
Rates and taxes	20.08	7.87
Communication	23.39	7.63
Travelling and conveyance	64.66	32.38
Printing and stationery	24.39	4.89
Freight and forwarding	250.19	159.04
Sales commission	40.33	11.93
Business promotion	22.76	7.37
Donations and contributions	11.31	10.42
Expenditure on Corporate Social Responsibility	14.34	3.34
Analytical charges	102.74	46.81
Regulatory expenses	23.50	9.03
Legal and professional fees	100.30	40.60
Payments to auditors (Refer note (i) below)	8.82	5.92

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Bad debts written off / Allowance for doubtful trade and other receivables	5.20	7.42
Consumables	258.85	57.42
Sales promotion expenses	-	0.11
Exchange fluctuation loss (net)	98.13	1.45
Research & Development (R&D) expense	-	64.01
Provision for doubtful advances, net	3.60	-
Miscellaneous expenses	139.62	33.92
Total	**2,752.27**	**1,181.47**

i. Payments to Auditors comprises of

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
- Audit of standalone and consolidated financial statements including limited review	5.00	5.00
- Other services	1.32	-
- Tax audit	0.50	0.50
- For audit of financial statements of the subsidiaries of the Group paid to other auditors	1.37	0.20
- Reimbursement of expenses	0.63	0.22
Total	**8.82**	**5.92**

NOTE NO. 35 TAX EXPENSES

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Continuing operations		
Current tax		
Current tax expense	159.68	15.90
Current tax of subsidiary - reversal of excess provision of prior year	(14.31)	(1.40)
Deferred tax benefit		
Deferred tax (credit) / expenses	20.21	-
MAT credit availment	(159.68)	(15.90)
Tax expenses for continuing operations	**5.90**	**(1.40)**
Discontinued operations:		
Current tax		
Current tax expense	(21.36)	(11.73)
Deferred tax benefit		
Deferred tax (credit) / expenses	(22.39)	-
MAT credit availment	21.36	11.73
Tax expenses for discontinued operations	**(22.39)**	**-**
Total tax expense	**(16.49)**	**(1.40)**

The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Profit before income taxes:		
- from continuing operations	676.93	58.27
- from discontinued operations	(99.17)	(56.30)
- from total operations	**577.76**	**1.97**
Indian statutory income tax rate	34.944%	34.608%
Expected income tax expense	**201.89**	**0.68**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:		
Effect of expenses that are not deductible in determining taxable profit	9.33	-
Effect on additional tax allowance	(208.67)	(0.68)
Effect of reversal of excess provision of prior year of subsidiary	(14.31)	(1.40)
Others (net)	(4.73)	-
Total income tax expense	**(16.49)**	**(1.40)**

NOTE NO. 36 DETAILS OF RESEARCH AND DEVELOPMENT EXPENDITURE INCURRED (CHARGED TO STATEMENT OF PROFIT AND LOSS)

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Outsourced:		
Development charges	-	63.70
Inhouse:		
Salaries and wages	225.41	8.55
Depreciation and amortisation expense	100.94	7.58
Materials	15.62	3.21
Others	199.30	6.73
Total	**541.27**	**89.77**

In addition, the Company has also incurred capital expenditure in such facilities of ₹ 521.71 million. (Previous year: ₹ 222.98 million) which has been capitalised under respective heads in the financial statements.

The amount quantified as research and development expenditure (both capital and revenue) is as certified by the management of the Company and relied upon by the auditors.

NOTE 37.1 COMPOSITE SCHEME OF ARRANGEMENT BETWEEN THE COMPANY, STRIDES SHASUN LIMITED AND SEQUENT SCIENTIFIC LIMITED DURING THE PREVIOUS FINANCIAL YEAR:

In accordance with the terms of the Composite Scheme of Arrangement (the 'Scheme') between the Company, Strides Shasun Limited ("Strides") and Sequent Scientific Limited ("Sequent"), as approved by the National Company Law Tribunal, the Commodity API business of Strides and the Human API business of Sequent were demerged from respective Companies and transferred into the Company with the appointed date of October 1, 2017 ("the appointed date") for a consideration of equity shares to be issued by the Company to the equity shareholders of Strides and Sequent in the proportion of agreed share entitlement ratio. The effective date of the Scheme was March 31, 2018, the date on which all the requirements under the Companies Act, 2013, to give effect to the Scheme, were completed. Accordingly, the effect was given in these Consolidated financial statements from the appointed date of the Scheme - October 1, 2017.

Pursuant to the Scheme, the Company allotted 24,674,267 equity shares to the shareholders of Strides and Sequent in the ratio of 1 equity share of ₹ 10/- each of the Company for every 6 shares of ₹ 10/- each held by the shareholders of Strides, and 1 equity share of ₹ 10/- each of the Company for every 25 shares of ₹ 2/- each held by the shareholders of Sequent, on April 11, 2018, the effect of which has been given in these financial statements as on the appointed date of the Scheme. Further, in accordance with the terms of the Scheme, the authorised share capital of the Company is increased to ₹ 300 Million represented by 30 Million equity shares of ₹ 10 each.

As per the requirements of the Scheme, transfer of the above businesses into the Company was accounted in accordance with the Ind AS notified under Section 133 of the Act, as on the appointed date of the Scheme as under:

a) Transfer of API business of Strides

(I) The Company has recorded the assets and liabilities of the API Business of Strides at their respective book values appearing in the books of Strides as on the appointed date.

(II) The face value of equity shares issued by the Company to the shareholders of Strides has been recorded to the credit of share capital account of the Company. The premium on issue of these equity shares has been recorded, to the credit of securities premium account, to the extent of difference between (i) the book value of the net assets (i.e. book value of assets and liabilities) recorded pursuant to (I) above and (ii) the face value of such shares allotted.

(III) Shares held by Strides in the Company prior to this Scheme has been cancelled and transferred to Capital reserve.

Details of assets and liabilities transferred to the Company as at October 1, 2017 are given below:

	Particulars	₹ in Million
	Non-current assets	4,593.09
	Current assets	3,904.62
(A)	**Total assets**	**8,497.71**
	Non-current liabilities	2,624.44
	Current liabilities	3,901.70
(B)	**Total liabilities**	**6,526.14**
(C)	**Net assets (A) – (B)**	**1,971.57**
(D)	Face value of equity shares of the Company issued to the shareholders of Strides recorded as equity share capital of the Company (14,924,819 equity shares of ₹ 10/- each)	149.25
(E)	Securities premium on issue of such shares **(C) - (D)**	**1,822.32**

Principal Activity of API business of Strides:

The commodity API business of Strides being demerged into the Company is primarily focused in the therapeutic area of pain management. The commodity API business is carried out through two manufacturing facilities, located at Cuddalore and Pondicherry, which are transferred to the Company, pursuant to the Scheme.

b) Transfer of Human API business of Sequent

(I) Assets and liabilities of the Human API Business of Sequent have been recorded to reflect at their fair values as on the appointed date. The difference between the fair value of equity shares issued to the shareholders of Sequent and the net assets (i.e. fair value of assets and liabilities recorded as mentioned above), is recorded as goodwill.

(II) The face value of equity shares issued by the Company to the shareholders of Sequent has been recorded to the credit of share capital account of the Company. The premium on issue of these equity shares has been recorded to the credit of securities premium account, to the extent of difference between (i) the fair value of such shares so issued and (ii) the face value of such shares allotted.

Details of the fair value of assets and liabilities of the Human API business recorded by the Company as at October 1, 2017 are as below:

Particulars		₹ in Million
(A)	**Fair value of equity shares issued by the Company to the shareholders of Sequent**	**5,710.00**
	Non-current assets (other than goodwill on this acquisition)	3,075.83
	Goodwill on this acquisition	3,579.50
	Current assets	1,456.27
(B)	**Total assets**	**8,111.60**
	Non-current liabilities	620.92
	Current liabilities	1,780.68
(C)	**Total liabilities**	**2,401.60**
(D)	**Net assets * (B) – (C)**	**5,710.00**
(E)	Face value of equity shares of the Company issued to the shareholders of Sequent recorded as equity share capital of the Company (9,749,448 equity shares of ₹ 10/- each)	97.49
(F)	Securities premium on issue of such shares **(D) - (E)**	**5,612.51**

* As at March 31, 2018, the Company was in the process of quantifying the tax losses that would be available to it for carry forward and setoff in the subsequent periods, as this amount would be determined based on subsequent filing of tax returns by the respective companies. Accordingly, no deferred tax asset was recognised as at March 31, 2018 on such losses that may be available to the Company.

During the year ended March 31, 2019, the initial accounting in respect of deferred tax on brought forward losses from this business acquisition has been finalised. Pursuant to this finalisation of initial accounting, the Company has restated the balance sheet as at March 31, 2018 in accordance with Ind AS 103 'Business Combinations', as a result of which, the deferred tax liability and goodwill as at March 31, 2018 have been reduced by ₹ 48.3 Million pursuant to this adjustment.

Principal Activity of Human API business of Sequent:

The Human API business of Sequent comprises of a portfolio of niche APIs, carried out through three manufacturing facilities, located in Mangalore (Karnataka), Mysore (Karnataka) and Mahad (Maharashtra) which are transferred to the Company, pursuant to the Scheme.

Upon the Scheme coming into effect, the investments in following entities, held by the respective businesses above, have also been transferred to the Company:

Investments in	₹ in Million as at October 1, 2017	Transferred from	Value based on
Chemsynth Laboratories Private Limited	33.63	Commodity API business of Strides	Carrying value as recorded on the date of transfer
Shasun USA Inc	0.54	Commodity API business of Strides	Carrying value as recorded on the date of transfer
Sequent Penems Private Limited	143.00	Human API business of Sequent	Fair value as on the date of transfer

Impact of acquisition of the above businesses on the results of the Group

₹ in Million

	Particulars	For the period from 23-Feb-2017 to 31-Mar-2018
A.	**Continuing operations:**	
	Revenue from operations	5,205.71
	Other income	24.48
	Total revenue (A)	**5,230.19**
	Cost of materials consumed	2,699.10
	Purchase of Stock-in-trade	40.54
	Changes in inventories of finished goods and work-in-progress	(24.78)
	Employee benefits expenses	666.54
	Finance costs	247.65
	Depreciation and amortisation expense	332.20
	Other expenses	1,184.83
	Total expenses (B)	**5,146.08**
	Profit/(Loss) before tax from continuing operations(C)	**84.11**
B.	**Discontinued operations:**	
	Profit / (Loss) from discontinued operations	(56.30)
Profit/(Loss) before tax from discontinued operations		**(56.30)**
Profit/(Loss) before tax from total operations		**27.81**

NOTE NO. 37.2 OTHER BUSINESS ACQUISITION:

a) During current financial year:

i) Acquisition of R&D business from Strides Pharma Sciences Limited

The company entered into a Business purchase agreement to acquire a R&D business at Chennai from Strides Pharma Science Limited (Formerly known as Strides Shasun Limited) and the transaction was completed on April 1, 2018.

Assets and liabilities of the R&D business have been recorded to reflect at their fair values as on the transaction closure date (i.e. April 1, 2018).

Principal Activity of the R&D business acquired:

The R&D business at Chennai is a state-of-art facility engaged in the development of complex products and is also engaged in the business of providing product development solutions to its clients.

Consideration transferred:

Particulars	₹ in Million
Cash	**347.56**

Details of the fair value of assets and liabilities of the R&D facility recorded by the Company as at April 1, 2018 are as below:

Particulars	₹ in Million
Non-current assets (other than goodwill on this acquisition)	357.27
Current assets	20.94
(A) Total assets	**378.21**
Current liabilities	30.65
(B) Total liabilities	**30.65**
(C) Net assets (A) – (B)	**347.56**

Calculation of Goodwill / Capital reserve arising on acquisition:

Particulars	₹ in Million
Consideration transferred	347.56
Less: Identifiable net assets acquired	(347.56)
Excess of the consideration transferred by the Company over the net assets acquired has been debited to Goodwill	-

Impact of the above acquisition on the results of the Group: ₹ in Million

Particulars	For the year ended 31-Mar-2019
Revenue from operations	112.88
Other income	0.20
Total revenue (A)	**113.08**
Cost of materials consumed	22.88
Purchase of Stock-in-trade	0.32
Changes in inventories of finished goods and work-in-progress	(7.61)
Employee benefits expenses	159.71
Finance costs	0.11
Depreciation and amortisation expense	47.36
Other expenses	150.68
Total expenses (B)	**373.45**
Profit/(Loss) before tax (C)	**(260.37)**

ii) Acquisition of Strides Chemicals Private Limited:

On May 19, 2018, the Board of Directors of the Company approved for investment by the Company in Strides Chemicals Private Limited. On August 31, 2018, the Company entered into a share purchase agreement with Strides Pharma Science Limited (formerly known as Strides Shasun Limited) and acquired 100% of the Investments in Strides Chemicals Private Limited for a consideration of ₹ 1310 Million. Accordingly, the Consolidated results of the group reflect the results of Strides Chemicals Private Limited only from period September 01, 2018 onwards.

The Board of Directors of the Company in their meeting held on September 28, 2018, have approved a Scheme of Amalgamation of Strides Chemicals Private Limited with the Company from the appointed date of September 1, 2018. The Scheme is subject to necessary regulatory approvals.

Consideration transferred:

Particulars	₹ in Million
Cash	**1,310.00**

Out of consideration of ₹ 1310 million, ₹ 759 million is paid as at the balance sheet date and balance of ₹ 551 million is yet to be settled.

Details of the fair value of assets and liabilities of Strides Chemicals Private Limited as at August 31, 2018 are as below:

Particulars	₹ in Million
Non-current assets (other than goodwill on this acquisition)	1,090.69
Current assets	344.68
(A) Total assets	**1,435.37**
Non-current liabilities	120.24
Current liabilities	5.72
(B) Total liabilities	**125.96**
(C) Net assets (A) - (B)	**1,309.41**

Calculation of Goodwill / Capital reserve arising on acquisition:

Particulars	₹ in Million
Consideration transferred	1,310.00
Less: Identifiable net assets acquired	(1,309.41)
Excess of the consideration transferred by the Company over the net assets acquired has been debited to Goodwill	**0.59**

Impact of the above acquisition on the results of the Group:

₹ in Million

Particulars	For the year ended 31-Mar-2019
Revenue from operations	246.84
Other income	54.42
Total revenue (A)	**301.26**
Cost of materials consumed	157.45
Purchase of Stock-in-trade	-
Changes in inventories of finished goods and work-in-progress	(45.40)
Employee benefits expenses	40.58
Finance costs	2.04
Depreciation and amortisation expense	38.45
Other expenses	138.98
Total expenses (B)	**332.10**
Profit/(Loss) before tax (C)	**(30.84)**

b) During previous financial year:

The company entered into an agreement to acquire a R&D business at Bangalore from Sovizen Life Sciences Private Limited and the transaction was completed on February 1, 2018.

Assets and liabilities of the R&D business was recorded to reflect at their fair values as on the transaction closure date (i.e. February 1, 2018). The difference between the consideration paid and the fair value of the net assets acquired (i.e. fair value of assets and liabilities recorded as mentioned above) was recorded as goodwill.

Principal Activity of the R&D business acquired:

The R&D business at Bangalore is a state-of-art new facility engaged in the development of generic API and is also engaged in the business of providing product development solutions to its clients.

Consideration transferred:

Particulars	₹ in Million
Cash	**509.00**

Details of the fair value of assets and liabilities of the R&D facility recorded by the Company as at February 1, 2018 are as below:

Particulars	₹ in Million
Non-current assets (other than goodwill on this acquisition)	432.66
Current assets	92.28
(A) Total assets	**524.94**
Current liabilities	20.26
(B) Total liabilities	**20.26**
(C) Net assets (A) – (B)	**504.68**

Calculation of Goodwill / Capital reserve arising on acquisition:

Particulars	₹ in Million
Consideration transferred	509.00
Less: Identifiable net assets acquired	(504.68)
Excess of the consideration transferred by the Company over the net assets acquired has been debited to Goodwill	**4.32**

Impact of the above acquisition on the results of the Company:

₹ in Million

Particulars	For the period from 23-Feb-2017 to 31-Mar-2018
Revenue from operations	3.98
Other income	-
Total revenue (A)	**3.98**
Cost of materials consumed	3.21
Employee benefits expenses	8.55
Finance costs	-
Depreciation and amortisation expense	7.58
Other expenses	6.73
Total expenses (B)	**26.07**
Profit/(Loss) before tax (C)	**(22.09)**

NOTE NO. 38 DISCONTINUED OPERATIONS:

The Board of Directors in their meeting held on May 19, 2018 had approved for disposal of business operations at Mahad facility. This business unit was part of the Human API business acquired from Sequent under the Composite Scheme of Arrangement during the previous year. The disposal was completed on July 31, 2018 on which date control passed to the acquirer.

The details of assets and liabilities disposed off, and the calculation of the profit or loss on disposal, are as below:

a) Carrying value of assets and liabilities as at July 31, 2018:

Particulars	₹ in Million
Non-current assets	340.07
Current assets	544.42
(A) Total assets	**884.49**
Non-current liabilities	6.24
Current liabilities	414.25
(B) Total liabilities	**420.49**
(C) Net assets (A) – (B)	**464.00**

b) Gain/(loss) on disposal:

Particulars	₹ in Million
Consideration received	464.00
Net assets disposed off	(464.00)
Gain/(loss) on disposal	**-**

c) Net cash inflow on disposal:

Particulars	₹ in Million
Consideration received in cash and cash equivalents	464.00
Less: Cash and cash equivalents balances disposed off	(1.54)
Net cash inflow on disposal	**462.46**

d) Impact of the above disposal on the results of the Company:

The financial performance and cash flow information of Mahad facility included in the statement of profit and loss is as below:

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Revenue from operations	219.01	394.34
Other income	-	0.10
Total revenue (A)	**219.01**	**394.44**
Cost of materials consumed	162.44	255.32
Changes in inventories of finished goods and work-in-progress	29.57	(39.64)
Employee benefits expenses	20.07	29.82
Finance costs	0.63	0.35
Depreciation and amortisation expense	6.15	27.26
Other expenses	99.32	177.63
Total expenses (B)	**318.18**	**450.74**
Profit/(Loss) before tax (C)	**(99.17)**	**(56.30)**
Current tax	(21.36)	(11.73)
Deferred tax	(1.03)	11.73
Tax expenses / (credit) (D)	**(22.39)**	**-**
Profit/(Loss) after tax (C) - (D)	**(76.78)**	**(56.30)**

e) Cash flows from discontinued operations:

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Net cash inflows / (outflows) from operating activities	(111.93)	0.59
Net cash inflows / (outflows) from investing activities	(11.53)	(0.59)
Net cash inflows / (outflows) from financing activities	125.00	-
Total	**1.54**	**-**

NOTE NO. 39 COMMITMENTS AND CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

₹ in Million

Particulars		As at 31-Mar-19	As at 31-Mar-18
a)	**Contingent liabilities - Pending Litigations**		
	Indirect taxes	45.46	60.97
	Other claims against the Company not acknowledged as debts	16.39	15.26
b)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
	- Property, plant and equipment	897.40	236.79
	- Intangible Assets	8.27	6.39

NOTE NO. 40 EMPLOYEE BENEFITS PLANS

Defined contribution plan

The Group makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the company is required to contribute a specified percentage of the payroll cost to fund the benefits. The group recognised ₹ 103.67 Million (Previous year ₹ 38.82 Million) for providend fund contributions, ₹ 3.13 Million (Previous year ₹ 2.33 Million) for employee state insurance scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

Defined benefit plan

The Group operates a gratuity plan, a defined employee benefit scheme covering qualifying employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Composition of the plan assets

The fund is managed by LIC and SBI, the fund manager. The details of composition of plan assets managed by the fund manager is not available with the company. However, the said funds are subject to Market risk (such as interest risk, investment risk, etc.).

The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at 31.03.2019	Valuation as at 31.03.2018
Discount rate	7.25%	7.50%
Expected rate of salary increase	6.50%	8.33%
Attrition rate	11.00%	11.00%
Mortality Rate	As per IALM (2006-08) ultimate	As per IALM (2006-08) ultimate
Retirement age (years)	58 years	58 years

Amounts recognised in Statement of profit and loss and in other comprehensive income in respect of this defined benefit plan are as follows:

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Service cost:		
Current service cost	29.98	14.54
Past service cost and (gain)/loss from settlements	3.37	12.90
Net interest expense	8.02	3.89
Components of defined benefit costs recognised in statement of profit and loss	**41.37**	**31.33**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	3.98	3.79
Actuarial (gains) / losses arising from changes in demographic assumptions	0.25	-
Actuarial (gains) / losses arising from changes in financial assumptions	(27.95)	-
Actuarial (gains) / losses arising from experience adjustments	43.86	(1.28)
Components of defined benefit costs recognised in other comprehensive income	**20.14**	**2.51**
Total	**61.51**	**33.84**

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Present value of funded defined benefit obligation	380.91	330.74
Fair value of plan assets	(181.89)	(168.07)
Funded status	**199.02**	**162.67**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**199.02**	**162.67**

Movements in the present value of the defined benefit obligation are as follows:

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Opening defined benefit obligation	330.74	-
Add : Pursuant to the scheme (refer note 37.1)	-	300.75
Add : Acquisition / (disposal)	0.08	-
Expenses Recognised in statement of profit and loss		
Current service cost	29.98	14.54
Past service cost and (gain)/loss from settlements	3.37	12.90
Interest cost	23.43	10.94
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	0.25	-
Actuarial gains and losses arising from changes in financial assumptions	(27.95)	-
Actuarial gains and losses arising from experience adjustments	43.86	(1.28)
Benefits paid	(22.85)	(7.11)
Closing defined benefit obligation	**380.91**	**330.74**

Movements in the fair value of the plan assets are as follows:

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Opening fair value of plan assets	168.07	-
Add : Pursuant to the scheme (refer note 37.1)	-	170.21
Add : Acquisition / (disposal)	13.63	-
Expected return on plan assets	15.18	7.05
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	0.23	-
Contributions from the employer	11.61	1.71
Actuarial (gains) / losses on planned assets	(3.99)	(3.79)
Benefits paid	(22.84)	(7.11)
Closing fair value of plan assets	**181.89**	**168.07**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases (decrease) by 1%, the defined benefit obligation would be ₹ 361.76 Million (₹ 403.04 Million) as at March 31, 2019

If the expected salary growth increases (decrease) by 1%, the defined benefit obligation would be ₹ 402.10 Million (₹ 361.41 Million) as at March 31, 2019

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Expected future Cash outflows towards the plan are as follows-

₹ in Million

Financial Year	Amount
2019-20	57.51
2020-21	54.23
2021-22	48.20
2022-23	44.28
2023-24	42.85
2024-25 to 2029- 30	187.08

NOTE NO. 41 LEASES

Operating Lease:

A. The company as leasee:

The Group's significant operating lease arrangements are mainly in respect of its residential and office premises. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expense recognized during the period amounts to ₹ 46.56 Million (Previous year ₹ 17.41 Million). The schedule for future minimum lease payments in respect of non-cancellable operating leases is set out below::

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Not later than one year	29.42	6.12
Later than one year but not later than five years	69.88	21.56
Later than five years	11.02	-

Finance Lease:

A. The company as leasee:

The Company has a finance lease arrangement for its leasehold land. Details relating to these assets and minimum lease rentals payable are as follows:

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Future minimum lease payments:		
Not later than one year	2.94	-
Later than one year but not later than 5 years	13.30	-
Later than 5 years	214.15	-
Total	**230.39**	**-**
Less: Unmatured finance charges	190.86	-
Present value of minimum lease payments payable		
Up to one year	2.94	-
From one year to five years	8.96	-
Above five years	27.63	-

NOTE NO. 42 RELATED PARTY INFORMATION

Holding Company

Strides Pharma Science Limited (Upto September 30, 2017)

KMP / Person holding significant interest in the company :

Jitesh Devendra	Managing Director (Appointed wef. April 11, 2018)
S Hariharan	Executive Director - Finance and Chief Financial Officer (Appointed wef. April 11, 2018)
Dr. P Sathyanarayan	Director (resigned wef. April 11, 2018)
R. Ramakrishnan	Independent Director (Appointed wef. April 11, 2018)
Nirmal P Bhogilal	Independent Director (Appointed wef. April 11, 2018)
Jagdish V Dore	Independent Director (Appointed wef. April 11, 2018 and resigned wef. August 03, 2018)
Kausalya Santhanam	Independent Director (Appointed wef. April 11, 2018)
Deepak C Vaidya	Non-Executive Director (Appointed wef. April 11, 2018)
Ronald Tjeerd De Vries	Independent Director (Appointed wef. October 30, 2018)
Ankur Nand Thadani	Non-Executive Director (Appointed wef. May 16, 2019)
Arun Kumar	Person holding significant interest in the company
B Sreenivasa Reddy	Chief Operating Officer (Appointed wef. April 11, 2018)
S Murali Krishna	Company Secretary (Appointed wef. April 11, 2018)

Enterprises controlled, owned or significantly influenced by KMP or person holding significant interest in the company:

Strides Pharma Science Limited, India (From October 01, 2017)
Devendra Estates LLP, India
Devicam LLP, India
Alivira Animal Health Limited, India
Sequent Scientific Limited, India
Sterling Pharma Solutions Limited, UK
Tenshi Life Sciences Private Limited, India
Aurore Life Sciences Private Limited, India
Tenshi Kaizen Private Limited, India (formerly Higher Pharmatech Private Limited)
Olene Life Sciences Private Limited, India
GMS Tenshi Holdings Pte Limited, India
Stelis Biopharma Private Limited, India
Sovizen Life Sciences Private Limited, India
Tenshi Active Pharma Sciences Limited, India
Styrax Pharma Private Limited, India
Tenshi Life Care Private Limited, India
Triphase Pharmaceuticals Private Limited, India
Oncobiologics Inc., USA
Naari Pharma Private Limited, India
Sequent Research Limited, India
Chayadeep Properties Private Limited, India
Tenshi Kaizen Inc., USA
Tenshi Kaizen USA Inc., USA
Batliboi Impex Limited, India
Tenshi Life Sciences Pte Ltd, Singapore
Biolexis Pte Ltd, Singapore
Navad Life Sciences Pte Ltd, Singapore
Aurore Pharmaceuticals Private Limited, India
Tenshi Kaizen Pharma Pte Ltd, Singapore
Tenshi Kaizen Private Limited, UK

NOTES

forming part of the consolidated financial statements

Transactions during the period

₹ in Million

Description	Related party	31-Mar-19	31-Mar-18
Sale of goods	Strides Pharma Science Limited	3,117.37	791.86
	Aurore Life Sciences Private Limited	0.96	29.66
	Tenshi Kaizen Private Limited	0.50	0.31
	Sequent Scientific Limited	264.72	-
	Alivira Animal Health Limited	102.25	204.68
Sale of services	Sterling Pharma Solutions Limited	16.15	3.98
	Strides Pharma Science Limited	101.30	-
Other operating revenue	Strides Pharma Science Limited	21.78	5.60
Other Income	Tenshi Life Sciences Private Limited	7.82	-
Sale of Asset	Sovizen Life Sciences Private Limited	-	1.00
	Strides Pharma Science Limited	1.50	-
Purchase of goods	Alivira Animal Health Limited	54.85	16.69
	Sequent Scientific Limited	10.85	-
	Sequent Research Limited	-	0.25
	Strides Pharma Science Limited	5.50	-
	Aurore Life Sciences Private Limited	33.09	1.80
Purchase of services	Batliboi Impex Limited	2.78	-
	Sterling Pharma Solutions Limited	8.91	-
	Sequent Research Limited	81.89	56.51
Purchase of property, plant and equipment	Tenshi Life Sciences Private Limited	-	50.00
	Sovizen Life Sciences Private Limited	-	1.54
	Strides Pharma Science Limited	349.35	-
Purchase of Intangible asset	Sequent Scientific Limited	1.45	-
Acquisition of Business	Sovizen Life Sciences Private Limited	-	509.00
Investments in Strides Chemicals Private Limited	Strides Pharma Science Limited	1,310.00	-
Sales commission	Sequent Scientific Limited	1.30	-
Recovery of expenses from	Sequent Research Limited	7.01	-
	Strides Pharma Science Limited	156.70	-
Reimbursement of expenses to	Strides Pharma Science Limited	75.16	89.07
	Tenshi Life Sciences Private Limited	57.21	6.39
	Sequent Scientific Limited	5.66	-
	Sequent Research Limited	6.53	-
	Sterling Pharma Solutions Limited	5.56	6.32
Rental Income	Sequent Research Limited	8.40	2.81
Research & development expenses	Sovizen Life Sciences Private Limited	-	47.23
Rent & Maintenance for leased property	Devendra estates LLP	2.88	3.54
	Strides Pharma Science Limited	14.46	0.03
	Chayadeep Properties Private Limited	0.02	0.04
Interest expense (Upto September 30, 2017)	Strides Pharma Science Limited	-	3.71
Advances given	Sovizen Life Sciences Private Limited	-	141.50
	Tenshi Kaizen Private Limited	140.00	-
	Sequent Scientific Limited	-	10.79
	Tenshi Life Sciences Private Limited	141.50	-
Security deposit received	Sequent Research Limited	4.20	-
Security deposit given	Strides Pharma Science Limited	7.20	-
Capital advance given	Strides Pharma Science Limited	-	250.00
Sitting fees paid to directors	Deepak C Vaidya	1.10	-
	Jagdish V Dore	0.40	-
	Kausalya Santhanam	1.10	-
	Nirmal P Bhogilal	1.10	-
	Ronald Tjeerd De Vries	0.40	-
	R. Ramakrishnan	1.10	-
Services received in the capacity other than as directors (refer note (i) below)	Jitesh Devendra	-	7.46
	S Hariharan	-	5.29
"Short term employee benefits paid to (refer note (i) below)"	Jitesh Devendra	38.99	-
	S Hariharan	17.14	-
	B Sreenivasa Reddy	15.20	-
	S Murali Krishna	4.09	-

note (i): The compensation excludes gratuity & compensated absences which cannot be separately identified from the composite amount advised by the actuary.

Balances as at March 31, 2019

₹ in Million

Description	Related party	Receivable / (Payable) as at March 31, 2019	Receivable / (Payable) as at March 31, 2018
Trade payables	Sterling Pharma Solutions Limited	-	(6.02)
	Sovizen Life Sciences Private Limited	-	(1.83)
	Alivira Animal Health Limited	(50.63)	(180.00)
	Sequent Scientific Limited	(2.51)	-
	Chayadeep Properties Private Limited	-	(0.02)
	Sequent Research Limited	(26.86)	(17.61)
	Devendra Estates LLP	(0.26)	-
	Strides Pharma Science Limited	(32.97)	-
	Tenshi Life Sciences Private Limited	(18.60)	(31.43)
	Aurore Life Sciences Private Limited	(24.59)	(2.12)
Security deposit received	Sequent Research Limited	(4.20)	-
Advance from customers	Strides Pharma Science Limited	(53.07)	-
Payables on acquisition of investments	Strides Pharma Science Limited	(551.00)	-
Trade receivables	Alivira Animal Health Limited	46.93	79.95
	Aurore Life Sciences Private Limited	30.31	36.10
	Sovizen Life Sciences Private Limited	-	1.18
	Sterling Pharma Solutions Limited	-	3.98
	Tenshi Kaizen Private Limited	0.80	0.31
	Tenshi Life Sciences Private Limited	8.44	-
	Strides Pharma Science Limited*	576.00	118.26
	Sequent Scientific Limited	0.37	-
Capital advances	Strides Pharma Science Limited	-	250.00
Advances receivable	Strides Pharma Science Limited	-	171.73
	Sequent Scientific Limited	-	10.79
	Sovizen Life Sciences Private Limited	-	141.50
	Tenshi Kaizen Private Limited	140.00	-
Security deposit given	Strides Pharma Science Limited	7.20	-
	Devendra estates LLP	2.00	2.00

* excludes receivables of ₹ 934.83 Million which is discounted with banks.

NOTE NO. 43 EARNINGS PER SHARE

Amount in ₹

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Basic earnings per share:		
From continuing operations (A/C)	24.88	5.36
From discontinued operations (B/C)	(3.11)	(5.03)
Total basic earnings per share	**21.77**	**0.33**
Diluted earnings per share:		
From continuing operations (A/D)	24.84	5.36
From discontinued operations (B/D)	(3.11)	(5.03)
Total diluted earnings per share	**21.73**	**0.33**

Earnings used in computing basic and diluted earnings per share

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
Profit/(loss) after tax attributable to the equity holders of the Company		
From continuing operations	672.05	60.07
Less: Share issue expenses debited to securities premium	(57.88)	-
From continuing operations (A)	**614.17**	**60.07**
From discontinued operations (B)	**(76.78)**	**(56.30)**
Total operations	**537.39**	**3.77**

Weighted average number of shares used as the denominator

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018*
Weighted average number of equity shares used as denominator in calculating basic earnings per share (C)	24,689,335	11,198,794
Adjustments for calculation of diluted earnings per share:		
- share warrants**	-	-
- employee stock options	38,073	-
Weighted average number of equity shares used as denominator in calculating diluted earnings per share (D)	**24,727,409**	**11,198,794**

* The equity shares issued pursuant to the Scheme referred in Note 37.1, have been considered with effect from the appointed date of the Scheme - October 1, 2017, for the purpose of calculation of weighted average number of equity shares used as denominator in calculating earnings per share for March 31, 2018.

** Effect of share warrants is anti-dilutive and hence not considered for the purpose of calculation of Diluted EPS.

NOTE NO. 44 SEGMENT REPORTING

“The Group is engaged in the manufacture and sale of Active Pharma Ingredients. The operating segment of the Group is identified to be “Manufacture and sale of Active Pharma Ingredients” as the chief operating decision maker (CODM) reviews business performance at an overall Group level as one segment.

As the Group operates in single operating segment i.e., “Manufacture and sale of Active Pharma Ingredients”, the reporting disclosures envisaged in Ind AS 108 on operating segments, are not applicable to the Company. However, the geographical information are disclosed below:

Geographical information

(i) Revenue from external customers

₹ in Million

Particulars	For the year ended 31-Mar-2019	For the period from 23-Feb-2017 to 31-Mar-2018
India	6,028.07	2,186.26
Mexico	850.05	460.28
United Kingdom	824.41	345.68
Japan	711.47	125.96
USA	662.54	541.93
Other foreign countries	4,144.29	1,354.91
Total	**13,220.83**	**5,015.02**

(ii) Non-current assets*

₹ in Million

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
India	12,938.74	12,048.80
Total	**12,938.74**	**12,048.80**

*Non-current assets do not include financial assets under financial instruments and deferred tax asset.

(iii) Revenue from major customers

Revenue from one customer of the Group is ₹ 3,218.67 Million (31 March 2018 - ₹ 791.86 Million) which is individually more than 10 percent of the Group's total revenue.

NOTE NO. 45 SHARE-BASED PAYMENTS

Details of the employee share option plan of the Company:

The ESOP titled "Solara Employee Stock Option Plan 2018" (ESOP 2018) was approved by the shareholders and stock exchanges for 1,228,778 options. Each option comprises one underlying equity share of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of 120 days from the date of vesting. 845,000 options were granted under this plan during the current year.

During the current year, employee compensation costs of ₹ 23.89 Million (Previous year: Nil) relating to the above referred Employee Stock Option Plans have been charged to the Statement of Profit and Loss.

Fair value of share options granted in the year

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value of the ESOP granted during the year are as below:

Assumptions	Grant Date: October 01, 2018 (ESOP 2018)		
	Vest 1 October 01, 2019	Vest 2 October 01, 2020	Vest 3 October 01, 2021
	20%	30%	50%
No. of options	49,000	73,500	122,500
Fair market value of option at grant date (₹)	92.33	103.18	111.25
Fair market value of share at grant date (₹)	265.97	265.97	265.97
Exercise price (₹)	205.00	205.00	205.00
Expected volatility	39.13%	39.13%	39.13%
Option life (Years)	1	2	3
Expected Dividend Yield	0.00%	0.00%	0.00%
Risk-free interest rate	8.00%	8.00%	8.00%

Assumptions	Grant Date: November 30, 2018	
	Vest 1 November 30, 2019	Vest 2 November 30, 2020
	40%	60%
No. of options	240,000	360,000
Fair market value of option at grant date (₹)	120.08	130.93
Fair market value of share at grant date (₹)	297.86	297.86
Exercise price (₹)	205.00	205.00
Expected volatility	39.13%	39.13%
Option life (Years)	1	2
Expected Dividend Yield	0.00%	0.00%
Risk-free interest rate	8.00%	8.00%

Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2018-19		During the year 2017-18	
Options (No's)	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:				
- ESOP 2018	-	-	-	-
Granted during the year:				
- ESOP 2018	845,000	205.00	-	-
Exercised during the year:				
- ESOP 2018	-	-	-	-
Lapsed/ cancelled during the year:				
- ESOP 2018	-	-	-	-
Options outstanding at the end of the year:				
- ESOP 2018	845,000	205.00	-	-
Options available for grant:				
- ESOP 2018	383,778	-	-	-

NOTE NO. 46 FINANCIAL INSTRUMENTS

46.1 Categories of financial instruments

₹ in Million

Particulars	31-Mar-19	31-Mar-19
Financial assets:		
Measured at amortised cost		
(a) Cash and bank balances	764.68	470.08
(b) Investments	4.13	8.12
(c) Trade receivables	2,887.98	2,625.20
(d) Loans	23.61	20.41
(e) Other financial assets at amortised cost	276.27	223.92
Financial liabilities:		
Measured at amortised cost		
(a) Borrowings	4,394.27	5,730.76
(b) Current maturity of non-current borrowings	983.33	597.96
(c) Current maturity of finance lease obligations	2.94	-
(d) Trade payables	2,443.94	3,128.73
(b) Other Financial Liabilities	651.49	97.61

46.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Group considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortized cost will reasonably approximate their fair values.

₹ in Million

Particulars	31-Mar-19		31-Mar-18	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Borrowings	5,380.54	5,492.48	6,328.72	6,387.10

Financial risk management objectives

The Group's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

46.3 Foreign currency risk management

The Group is exposed to foreign exchange risk due to:
- debt availed in foreign currency
- exposure arising from transactions relating to purchases, revenues, expenses, etc., to be settled (within and outside the group) in currencies other than the functional currency of the respective entities.

The carrying amount of the Group's foreign currency denominated monetary liabilities (payables) and assets (receivables) as at the end of reporting period are as under::

Amounts in Million

Amount	As at 31-Mar-19		As at 31-Mar-18	
Exposure to the Currency	in foreign Currency	in INR	in foreign Currency	in INR
USD	(6.05)	(419.52)	(28.76)	(1,874.45)
EUR	0.25	19.56	0.66	52.96
GBP	0.11	9.58	(0.12)	(10.61)
JPY	(2.15)	(1.35)	19.04	5.81
SGD	0.01	0.26	0.00	0.18
CHF	-	-	(0.01)	(0.34)

Foreign currency sensitivity analysis

Financial instruments affected by changes in foreign exchange rates include Working capital loans. The Group considers US Dollar and the Euro to be principal currencies which require monitoring and risk mitigation. The Group is exposed to volatility in other currencies including the Great Britain Pounds (GBP) and the Japanese Yen (JPY). The impact on account of 5% appreciation / depreciation in the exchange rate of the above foreign currencies against INR is given below:

₹ in Million

Particulars	Increase / (Decrease) in Profit		Increase / (Decrease) in Equity	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Appreciation in the USD	(20.98)	(93.72)	(13.65)	(61.29)
Depreciation in the USD	20.98	93.72	13.65	61.29
Appreciation in the EUR	0.98	2.65	0.64	1.73
Depreciation in the EUR	(0.98)	(2.65)	(0.64)	(1.73)
Appreciation in the GBP	0.48	(0.53)	0.31	(0.35)
Depreciation in the GBP	(0.48)	0.53	(0.31)	0.35
Appreciation in the JPY	(0.07)	0.29	(0.05)	0.19
Depreciation in the JPY	0.07	(0.29)	0.05	(0.19)

The impact on profit has been arrived at by applying the effects of appreciation / depreciation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purpose of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of respective financial years remains constant thereafter.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting period might not reflect the exposure during the period.

46.4 Interest rate risk management

Interest rate risk arises from borrowings. Debt issued at variable rates exposes the Group to cash flow risk. Debt issued at fixed rate exposes the group to fair value risk.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments is as follows:

₹ in Million

Particulars	As at 31-Mar-19	As at 31-Mar-18
Fixed-rate instruments		
Financial assets		
Balance with banks held as margin money	7.47	10.56
Balance with banks held in deposit account	721.06	0.01
Security deposit paid	106.61	74.73
Financial liabilities		
Finance lease obligations	40.99	-
	876.13	**85.30**
Variable-rate instruments		
Financial liabilities		
Borrowings from bank	5,339.55	6,328.72
	5,339.55	**6,328.72**

Interest rate sensitivity analysis

Financial instruments affected by interest rate changes include Secured Long term loans from banks, Secured Long term loans from others and Secured Short term loans from banks. The impact of a 1% change in interest rates on the profit of an annual period will be ₹ 72.87 Million assuming the loans at each year end remain constant during the respective years. This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets..

46.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk to the group primarily arises from trade receivables. Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions and other financial assets.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group has an internal mechanism of determining the credit rating of the customers and setting credit limits. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The credit risk arising from receivables is subject to currency risk in that the receivables are predominantly denominated in USD, EUR and GBP and any appreciation in the INR will affect the credit risk. Further, the Group is not significantly exposed to geographical distribution risk as the counterparties operate across various countries across the Globe.

The credit risk on financial instruments like forward exchange contracts is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

46.6 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities.

46.6.1 Liquidity analysis for Non-Derivative Liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table include principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

₹ in Million

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank & other borrowings								
- As on March 31, 2019	3,147.49	1,131.41	741.56	411.73	35.51	24.78	**5,492.48**	**5,380.54**
- As on March 31, 2018	3,900.09	719.35	779.65	587.88	400.13	-	**6,387.10**	**6,328.72**
Interest payable on borrowings								
- As on March 31, 2019	4.78	-	-	-	-	-	**4.78**	**4.78**
- As on March 31, 2018	15.19	-	-	-	-	-	**15.19**	**15.19**
Trade and other payable								
- As on March 31, 2019	3,090.65	-	-	-	-	-	**3,090.65**	**3,090.65**
- As on March 31, 2018	3,211.15	-	-	-	-	-	**3,211.15**	**3,211.15**

NOTE NO. 47 CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 19 and 20(ii) offset by cash and bank balances) and total equity.

The Group is not subject to any externally imposed capital requirements.

Gearing ratio

The gearing ratio at end of the reporting period is as follows.

₹ in Million

Particulars	31-Mar-19	31-Mar-18
Debt (i)	5,380.54	6,328.72
Less:		
Cash and bank balances	764.68	470.08
Net Debt (A)	**4,615.86**	**5,858.64**
Total Equity (B)	**9,558.68**	**7,639.78**
Net debt to equity ratio (A/B)	**0.48**	**0.77**

(i) Debt is defined as non-current borrowings, current maturities of non-current borrowings, current maturities of finance lease obligations and current borrowings.

NOTE NO. 48 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 FOR THE YEAR ENDED MARCH 31, 2019

	Net Assets i.e., total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
Name of the entity	**As % of consolidated net assets**	**₹ In Million**	**As % of consolidated profit**	**₹ In Million**	**As % of consolidated other comprehensive income**	**₹ In Million**	**As % of consolidated total comprehensive income**	**₹ In Million**
Solara Active Pharma Sciences Limited	88.39%	9,657.37	104.11%	620.07	47.13%	(13.38)	106.97%	606.69
Indian Subsidiaries:								
Strides Chemicals Private Limited	11.37%	1,242.23	-5.58%	(33.23)	-1.13%	0.32	-5.80%	(32.91)
Chemsynth Laboratories Private Limited	0.49%	53.85	-0.16%	(0.94)	0%	-	-0.17%	(0.94)
Sequent Penems Private Limited	0.28%	30.28	0.43%	2.57	0%	-	0.45%	2.57
Foreign Subsidiary:								
Shasun USA Inc	-0.53%	(58.23)	1.19%	7.10	54.00%	(15.33)	-1.45%	(8.23)
Total		**10,925.50**		**595.57**		**(28.39)**		**567.18**
Adjustment arising out of consolidation		(1,366.82)		(0.92)		-		(0.92)
Minority interest in subsidiary								
Chemsynth Laboratories Private Limited		26.68		(0.07)		-		(0.07)
Sequent Penems Private Limited		17.10		(0.33)		-		(0.33)
Total		**9,602.46**		**594.25**		**(28.39)**		**565.86**

NOTE NO. 49 NEW ACCOUNTING STANDARDS ADOPTED BY THE GROUP:

Ind AS 115 - Revenue from contract with customers

On April 1, 2018, the Group adopted Ind AS 115, "Revenue from Contracts with Customers" using the cumulative catch-up transition method applied to the contracts that were not completed as of April 1, 2018. In accordance with the modified retrospective transition method, the Group applied the new guidance to all contracts with customers within the scope of the standard that were in effect on April 1, 2018 and recognized the cumulative effect of initially applying the new guidance as an adjustment to the opening balance of retained earnings. Comparative information for prior periods has not been restated and continues to be reported under the accounting standards in effect for those periods.

Refer note 2.1(v) for the accounting policies followed pursuant to adoption of Ind AS 115. Refer Note 2.1 "Summary of significant accounting policies" in the Company's Annual Report for FY 2017-18 for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 has resulted in decrease in retained earnings as at the transition date in respect of contracts that were not completed as at the said date by ₹ 93.99 Million.

NOTE NO. 50

The Board of Directors, have in their meeting on May 16, 2019, proposed final dividend of ₹ 128.87 million (₹ 5/- per equity share) for the financial year ended March 31, 2019. This proposed dividend is subject to approval of the shareholders in the ensuing Annual General Meeting (AGM). The tax on the proposed dividend is ₹ 27.28 million.

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director
DIN: 06469234

S Hariharan
Executive Director - Finance and
Chief Financial Officer
DIN: 05297969

S Murali Krishna
Company Secretary
Membership No.: 13372

Place : Bengaluru
Date : May 16, 2019

RESEARCH AND DEVELOPMENT FINANCIALS

BALANCE SHEET

as on 31st March, 2019

₹ in Million

	Unit I		Unit II		Total As at Mar 31, 2019		Total As at Mar 31, 2018	
ASSETS								
Fixed Assets								
R&D Equipments								
Gross Block								
Opening as on 01.04.2018	-		-		-		-	
Additions pursuant to business acquisition	-		280.52		280.52		-	
Additions Net	215.57		25.63		241.20		-	
Deletions			(1.50)		(1.50)		-	
Closing as on 31.03.2019	215.57		304.65		520.22		-	
Less : Accumulated Depreciation	(16.99)		(39.21)		(56.20)		-	
Net Block as on 31.03.2019		**198.58**		**265.44**		**464.02**		**-**
Others								
Gross Block								
Opening as on 01.04.2018	222.98		-		222.98		-	
Additions pursuant to business acquisition	-		31.37		31.37		222.98	
Additions Net	1.23		12.43		13.66		-	
Deletions	-		-		-		-	
Closing as on 31.03.2019	224.21		43.80		268.01		222.98	
Less : Accumulated Depreciation	(44.50)		(7.76)		(52.26)		(7.73)	
Net Block as on 31.03.2019		**179.71**		**36.04**		**215.75**		**215.25**
Capital work in progress		**3.91**		**5.72**		**9.63**		**204.07**
Other Non Current Assets								
Goodwill	4.32		-		4.32		4.32	
Financial assets	5.99		14.78		20.77		5.99	
Other Non-current assets	0.55		7.72		8.27		1.16	
Total Non Current Assets		**10.86**		**22.50**		**33.36**		**11.47**
Current Assets								
Inventories	3.21		16.85		20.06		-	
Trade receivables	-		16.54		16.54		3.98	
Cash and other balance with banks	-		0.62		0.62		-	
Loan	0.14		0.84		0.98		-	
Other current assets	37.35		8.44		45.79		32.23	
Total Current assets		**40.70**		**43.29**		**83.99**		**36.21**
Total		**433.76**		**372.99**		**806.75**		**466.99**
LIABILITIES								
Head office Control Account	**453.90**		**350.20**		**804.10**		**509.00**	
Add: Transfers	108.99		206.46		315.45		(33.00)	
Less: Excess of Expenditure over income	(151.79)	411.10	(260.36)	296.30	(412.15)	707.40	(22.10)	453.90
Liabilities								
Non-current liabilities								
Financial Liabilities	-		-		-		-	
Provisions	1.84		8.20		10.04		0.44	
Other non-current liabilities	0.23		11.70		11.93		-	
Total Non-current liabilities		**2.07**		**19.90**		**21.97**		**0.44**
Current liabilities								
Financial Liabilities								
Trade payables	16.62		51.68		68.30		9.78	
Other financial liabilities	1.67		0.06		1.73		1.66	
Other current liabilities	1.98		3.64		5.62		1.12	
Provisions	0.32		1.42		1.74		0.09	
Total current liabilities		**20.59**		**56.80**		**77.39**		**12.65**
Total		**433.76**		**373.00**		**806.76**		**466.99**

STATEMENT OF INCOME & EXPENDITURE

for the year ended 31st March, 2019

₹ in Million

	Unit I		Unit II		For the year ended 31-Mar-2019		For the period from 23-Feb-2017 to 31-Mar-2018	
EXPENDITURE								
Employee benefits expenses	65.71		159.71		225.42		8.55	
Cost of materials consumed	**0.03**		**15.59**		**15.62**		**3.21**	
Utilities	5.87		23.13		29.00		1.62	
Other expenses - R&D	42.76		127.66		170.42		5.12	
Total Revenue Expenditure Excluding Depreciation		**114.37**		**326.09**		**440.46**		**18.50**
Depreciation		53.57		47.36		100.93		7.58
Total Expenditure		**167.94**		**373.45**		**541.39**		**26.08**
INCOME								
i) FTE/Product Development Income		16.15		107.68		123.83		3.98
ii) Commercial Sale of Prototype & Others		0.00		5.21		5.21		-
iii) Other Income		-		0.20		0.20		
Total Income		**16.15**		**113.09**		**129.24**		**3.98**
Excess of Expenditure over Income		**151.79**		**260.36**		**412.15**		**22.10**

EXPENDITURE ON RESEARCH AND DEVELOPMENT:

₹ in Million

Particulars	Total As at 31st March 2019	Total As at 31st March 2018
Capital		
- R&D Equipments	521.71	-
- Others	45.04	222.98
Total	**556.75**	**222.98**
Recurring - Inhouse	440.46	18.49

SOLARA ACTIVE PHARMA SCIENCES LIMITED
CIN: L24230MH2017PLC291636
Registered Office: 201, Devavrata, Sector 17, Vashi, Navi Mumbai 400 703
Tel: +91 22 27892924; **Fax:** +91 22 27892942
Corporate Office: 'Batra Centre', No. 28, Sardar Patel Road, Post Box No. 2630, Guindy, Chennai 600 032
Tel: + 91 44 43446700, 22207500; **Fax:** +91 44 22350278
Email: investors@solara.co.in; **Website:** www.solara.co.in

NOTICE is hereby given that the Second Annual General Meeting of the Members of the Company will be held on Wednesday, August 14, 2019, at 10.30 a.m. at Hotel Regenza By Tunga, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Standalone Financial Statements of the Company for the year ended March 31, 2019 together with Reports of the Board of Directors and the Auditors thereon.

2. To receive, consider, approve and adopt the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2019 and the Report of Auditors thereon.

3. To appoint a Director in place of Mr. Jitesh Devendra (holding DIN 06469234) who retires by rotation and being eligible offers himself for re-appointment.

4. To declare a Dividend of ₹ 5/- per equity share of face value ₹ 10/- each for the financial year ending March 31, 2019.

SPECIAL BUSINESS

5. **Approval for continuation of Mr. Deepak C Vaidya as a Non-Executive Director**

   To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution

   RESOLVED that pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 consent of the Members of the Company be and is hereby accorded for Mr. Deepak C Vaidya (DIN: 00337276), who will attain the age of seventy-five years before the next Annual General Meeting, to continue as a Non-executive Director of the Company

   RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to execute and deliver all such necessary documents for the purpose of giving effect to the aforesaid resolution.

6. **Appointment of Mr. Ronald Tjeerd De Vries as an Independent Director**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   RESOLVED that Mr. Ronald Tjeerd De Vries (DIN: 08265610), who was appointed by the Board of Directors as an Additional Director of the Company with effect from October 30, 2018 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

   RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, appointment of Mr. Ronald Tjeerd De Vries (who meets the criteria for independence) as provided in Section 149(6) of the Act as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 years commencing with effect from October 30, 2018 be and is hereby approved.

   RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to execute and deliver all such necessary documents for the purpose of giving effect to the aforesaid resolution.

7. **Appointment of Mr. Ankur Nand Thadani as a Non-Executive Director**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

   RESOLVED that Mr. Ankur Nand Thadani (DIN: 03566737), who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 16, 2019 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to execute and deliver all such necessary documents for the purpose of giving effect to the aforesaid resolution.

8. **To ratify the remuneration payable to the Cost Auditor for the financial year 2018-19.**
To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

RESOLVED that the remuneration of ₹.2,50,000/- (Rupees Two Lakh fifty Thousand only) plus reimbursement of out-of-pocket expenses, payable to Mr. K. Suryanarayanan, Practising Cost Accountant, (Membership No. 24946) who was appointed as Cost Auditor of the Company for the financial year ending 31st March, 2019, as recommended by the audit committee and approved by the board of directors of the Company, pursuant to Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 is hereby ratified.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and to execute and deliver all such necessary documents for the purpose of giving effect to the aforesaid resolution.

9. **To obtain approval for Transactions/ Contracts/ Arrangements with Strides Pharma Science Limited (formerly known as Strides Shasun Limited) upto ₹ 600 crores in each financial year**
To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations"), including any amendment, modification or re-enactment thereof for the time being in force, approval of the Members of the Company be and is hereby accorded to the Audit Committee/ Board of Directors of the Company to enter into contracts, arrangements, purchases and other transactions with Strides Pharma Science Limited (formerly known as Strides Shasun Limited) ("Strides"), on such terms and conditions as may be mutually agreed upon between the Company and Strides for an amount upto ₹ 600 crores (Rupees Six Hundred Crores) in each financial year commencing from FY 2019-20, for the purposes as set out in the explanatory statement annexed hereto.

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

RESOLVED FURTHER that the Board of Directors and the Company Secretary of the Company be and is hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to implement this resolution.

By the Order of the Board
For Solara Active Pharma Sciences Limited

Place: Bengaluru	**S. Murali Krishna**
Date: 16.05.2019	Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts in respect of the special business of this notice is annexed hereto.

2. A MEMBER TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   Proxies in order to be effective must be filed with the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting. The proxy form for the AGM is enclosed.

   A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent (10%) of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent (10%) of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

Members/ Proxy are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.

3. Shareholders are requested to bring their copy of the Annual Report to the Meeting.

4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution of the Company, authorizing their representative to attend and vote on their behalf at the meeting.

5. The register of members and share transfer books of the Company will remain closed from August 8, 2019 to August 14, 2019 (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2019.

6. Subject to the provisions of Companies Act, 2013, Dividend recommended by the Board of Directors, if approved by the Members at the Annual General Meeting, will be paid within a period of 30 days from the date of AGM, to those members whose names appear on the Register of Members as on the book closure date.

7. The Company is presently using National – ECS (NECS) for dividend remittance. Members holding shares in physical form are requested to notify/ send the following at the earliest:

   - Any change in their address/ mandate/ bank details;

   - Particulars of their bank account, in case the same have not been sent earlier, to the Company's Registrar and Transfer Agent at:

   Karvy Fintech Private Limited,
   Unit – Solara Active Pharma Sciences Limited,
   Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Seriligampally Mandal,
   Hyderabad - 500032;
   Email id: einward.ris@karvy.com
   Contact Persons: Mr. S.V. Raju / Mr. Mohan Kumar
   Contact Number: 040-6716 2222.

8. All documents that have been referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the company between 10.00 a.m. to 12.00 noon on working days up to the date of the Annual General Meeting.

9. Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.

10. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.

11. Electronic copy of the Notice convening the Second Annual General Meeting of the Company and the Annual Report along with the process of e-voting and the Attendance slip and Proxy form is being sent to the members whose e-mail addresses are registered with the Company/ Depository Participant(s) for communication purposes, unless any member has requested for hard copy of the same.

    For members who have not registered their e-mail addresses, physical copies of the Notice convening the Second Annual General Meeting of the Company, along with the Annual Report, the process of e-voting, Attendance slip and the Proxy form is being sent in the permitted mode.

    Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.

    Members may also note that the Notice convening the Second Annual General Meeting of the Company and the Annual Report along with the process of e-voting and the Attendance slip and Proxy form will be available on Company's website – www.solara.co.in.

Members who require communication in physical form in addition to e-communication or have any other queries may write to us at investors@solara.co.in.

In compliance with Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company has provided the facility to the members to exercise their vote electronically through the electronic voting service facility arranged by Karvy Fintech Private Limited, Hyderabad ("Karvy").

The facility for voting through Ballot Paper will also be made available at the AGM and the members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their vote at the AGM through Ballot Paper.

Members who have cast their vote through remote e-voting prior to the AGM may attend the AGM but shall not cast their votes again. However, in case Members cast their vote both via physical ballot at the AGM and remote e-voting, then voting through remote e-voting shall prevail and voting done through ballot shall be treated as invalid. Instructions for e-voting are annexed to the Notice.

12. This Notice is dispatched/ emailed to Members, whose names appear in the Register of Members/ list of Beneficial Owners as on Friday, July 12, 2019.

    The "cut-off date" for determining the eligibility for voting either through electronic voting or ballot is fixed as Wednesday, August 7, 2019. The e-voting period will commence at 9.00 a.m. on Saturday, August 10, 2019 and will end at 5.00 p.m. on Tuesday, August 13, 2019.

    Members are eligible to cast vote electronically only if they are holding shares as on that date. Members who have acquired shares after the dispatch of the Annual Report and before the cut-off date may approach the Registrar for issuance of the User ID and Password for exercising their right to vote by electronic means.

13. M/s. Nilesh Shah and Associates, Practicing Company Secretaries, represented by Mr. Nilesh Shah (having Membership No. FCS-4554) or failing him, Ms. Hetal Shah (having Membership No. FCS-8063) or failing her Mr. Mahesh Darji (having Membership No. FCS-7175) have been appointed as the Scrutinizer to scrutinize the e-voting process and voting done through physical ballot paper at the AGM in a fair and transparent manner.

14. At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.

15. The Scrutinizer shall, after the conclusion of voting at the general meeting, count the votes cast at the meeting in the presence of at least two witnesses not in the employment of the Company.

    The Scrutinizer shall submit a consolidated Scrutinizer's report of the total votes cast in Favor or Against, not later than forty-eight hours after the conclusion of AGM to the Chairman of the Company. The Chairman or any other person authorized by him, shall declare the results of voting forthwith.

16. The result along with the Scrutinizer's report will be placed on the Company's website and on the website of Karvy after the result is declared by the Chairman/ any other person authorized by him, and the same shall be communicated to the stock exchanges where the shares of the Company are listed.

PROCEDURE FOR E-VOTING

1. To use the following URL for e-voting: https://evoting.karvy.com/

2. Enter the login credentials i.e., user id and password mentioned below this communication. Your Folio No./DPID Client ID will be your user ID.

User – ID	**For Members holding shares in Demat Form** a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID b) For CDSL: 16 digits beneficiary ID
	For Members holding shares in Physical Form Event no. followed by Folio Number registered with the Company
Password	In case of Members who have not registered their e-mail addresses, their User-Id and Password is printed overleaf.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

3. After entering the details appropriately, click on LOGIN.

4. Password change menu will appear. Change the Password with a new Password of your choice. The new password has to be minimum eight characters consisting of at least one upper case (A-Z).one lower case (a-z), one numeric value (0-9) and a special character.

   Kindly note that this password can be used by the Members for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Fintech Private Limited e-Voting platform.

System will prompt you to change your password and update any contact details like mobile #, email ID etc., on first login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

5. Login again with the new credentials.

6. On successful login, system will prompt to select the '**Event**' i.e., the Company name - '**Solara Active Pharma Sciences Limited**'.

7. On the voting page, you will see Resolution Description and against the same the option 'FOR/ AGAINST/ ABSTAIN' for voting.

   Enter the number of shares (which represents number of votes) under 'FOR/ AGAINST/ ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/ AGAINST' taken together should not exceed your total shareholding. If the Member does not want to cast his vote, select 'ABSTAIN'.

8. Members holding multiple folios/ demat account shall choose the voting process separately for each folios/ demat account.

9. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

10. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

11. Corporate/ Institutional Members (Corporate/ FIs/ FIIs/ Trust/ Mutual Funds/ Banks etc.,) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to nilesh@ngshah.com with a copy to evoting@karvy.com.

12. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting User Manual for Members available at the download section of https://evoting.karvy.com or contact Mr. Raju S.V/ Mr. Mohan Kumar A of Karvy Fintech Pvt. Ltd. at +91 40 67162222 or at 1800 345 4001 (toll free).

13. This Notice is dispatched/ emailed to Members, whose names appear in the Register of Members/ list of Beneficial Owners as on Friday, July 12, 2019.

    However, the Members, whose names appear in the Register of Members/ list of Beneficial Owners as on Wednesday, August 7, 2019 are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9.00 a.m. on Saturday, August 9, 2019 and will end at 5.00 p.m. on Tuesday, August 13, 2019. Members are eligible to cast vote electronically only if they are holding shares as on that date. Members who have acquired shares after the dispatch of the Annual Report and before the cut-off date may approach the Registrar for issuance of the User ID and Password for exercising their right to vote by electronic means.

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

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement set out all the material facts relating to the business mentioned under Item Nos. 5 to 9 of the accompanying Notice.

Item No.5: Approval for continuation of Mr. Deepak C. Vaidya as a Non-executive Director of the Company

In terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members by way of Special Resolution is required for continuation of a Non-Executive Director beyond the age of seventy-five years.

Mr Deepak C. Vaidya (Deepak) was appointed as Non-Executive Director of the Company at the AGM held on September 28, 2018 effect from April 11, 2018. Deepak will attain the age of seventy-five years in January 2020. Deepak has over 30 years' experience in corporate financial services industry in India and abroad and is on the Board of various companies in Pharma, Service and Power sectors. The Board is of the opinion that the vast experience of Deepak, especially in pharmaceutical industry, will add value to the Company in achieving its strategic objectives.

The Board of Directors of the Company in its meeting held on May 16, 2019, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, proposed to seek consent of members of the Company for continuation of Deepak as a Non-Executive Director of the Company in line with requirements of Listing Regulations.

Except Deepak, none of the Promoters, other Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as Members.

As at date of this notice, Deepak is holding 30,000 shares in the Company.

The Board recommends passing of the proposed resolution stated in Item No. 5 as Special Resolution and requests your approval for the same.

Item No.6 : Appointment of Mr. Ronald Tjeerd De Vries as Independent Director

Mr. Ronald Tjeerd De Vries (Ronald) was appointed as an Additional Director on the Board of the Company with effect from October 30, 2018 to hold office up to the date of the Annual General Meeting. He was appointed as an Independent Director of the Company subject to the approval of the Members.

The Company has received declaration from Ronald that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Ronald fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as an Independent Director and he is independent of the Management.

Approval of the Members is being sought to confirm the appointment of Ronald as a Director of the Company effective from October 30, 2018 and to appoint him as an Independent Director of the Company, not liable to retire by rotation for a period up to five consecutive years from October 30, 2018.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") from a member signifying his intention to propose the appointment of Ronald as a Director of the Company.

The profile of Ronald together with his directorships and committee memberships held in other companies forms part of Annexure to the Board's Report.

As at date of this notice,Ronald does not hold any shares in the Company.

Except Ronald, none of the Directors, Key Managerial Personnel of the Company are concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as Members.

The Board recommends passing of the proposed resolution stated in Item No.6 as an Ordinary Resolution and requests your approval for the same.

Item No.7 : Appointment of Mr. Ankur Nand Thadani as Non-Executive Director

Mr. Ankur Nand Thadani (Ankur) was appointed as an Additional Director on the Board of the Company with effect from May 16, 2019 to hold office up to the date of the Annual General Meeting. He was appointed as Non-Executive Director of the Company subject to the approval of the Members.

Approval of the Members is being sought to confirm the appointment of Ankur as a Director of the Company effective from May 16, 2019 liable to retire by rotation.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") from a member signifying his intention to propose the appointment of Ankur as a Non-Executive Director of the Company.

The profile of Ankur together with his directorships held in other companies forms part of Annexure to the Board's Report.

As at date of this notice, Ankur does not hold any shares in the Company.

Except Ankur, none of the Directors, Key Managerial Personnel of the Company are concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as Members.

The Board recommends passing of the proposed resolution stated in Item No.7 as an Ordinary Resolution and requests your approval for the same.

Item No.8: To ratify the remuneration payable to the Cost Auditor for the financial year 2018-19.

The Board after considering the recommendation of the Audit Committee, the Directors have appointed Mr. K. Suryanarayanan, Cost Accountant, as the Cost Auditor of the Company for the financial year 2018-19 on a remuneration of ₹.2,50,000/- (Rupees Two Lakh Fifty Thousand only) plus out of pocket expenses.. Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration approved by the Board of Directors is required to be ratified by the Shareholders. The Ordinary Resolution appearing in the notice is sought to be passed for this purpose.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

The Board recommends passing of the proposed resolution stated in Item No.8 as an Ordinary Resolution and requests your approval for the same.

Item No.9: To obtain approval for Transactions/ Contracts/ Arrangements with Strides Pharma Science Limited (formerly known as Strides Shasun Limited) upto ₹ 600 crores in each financial year commencing from FY 2019-20

Members of the Company are hereby requested to note that Section 188(1) of the Companies Act, 2013 read with the relevant Rules made there under requires any transaction entered into between related parties for sale or purchase or rendering of services of any kind where the amount involved exceeds ₹ 100 Crore or 10% of the turnover whichever is lower, to be approved by the members of the Company by way of a resolution.

Particulars of proposed transaction

S No	Name of the related party	Name of the Promoter or Director or Key Managerial Personnel who is related, if any	Nature of relationship	Nature, material Terms & particulars of the contract or arrangement	Monetary Value Up to (₹ in Mn)	Any other information
1	Strides Pharma Science Limited (formerly known as Strides Shasun Limited), India, ("Strides")	Mr. Arun Kumar, Promoter of the Company is a Promoter and Managing Director of Strides. Mr. Jitesh Devendra, Managing Director of the Company, who is also part of the Promoter Group of Strides. Mr Deepak C Vaidya, who is also a Non Executive Director of the company and Strides.	Enterprises controlled, owned or significantly influenced by Key Managerial Personnel and person holding significant interest in the Company.	Sale of API products, rendering of services and leasing of properties as per prevailing market prices	6,000	The Company will supply Active Pharmaceutical Ingredients and provide services to Strides at prevailing market price

As per Regulation 23 of Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation") any material related party transaction, i.e., a transaction to be entered into which individually or together with previous transactions in a given financial year with a related party exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company, requires the approval of the members of the Company by way of Ordinary Resolution. Since the aggregate sale or other transactions between the company and Strides Pharma Science Limited is expected to exceed 10% of the turnover, the transaction requires approval of the shareholders

The Audit Committee and the Board of Directors at their respective meetings held on May 16, 2019, approved the aforementioned related party transaction.

Except Mr. Jitesh Devendra, Managing Director of the Company, who is also part of the Promoter group of Strides; Mr. Deepak Vaidya, who is a non-executive director of Strides and Solara, and common promoters of Strides and Solara, none of the other Promoters/ Directors/ Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution except to the extent of their shareholding as Members, if any.

The Board recommends the resolution as set out in Item No.9 of the notice for approval of Members as an Ordinary Resolution.

By the Order of the Board of Directors
For Solara Active Pharma Sciences Limited

Place: Bengaluru
Date: 16.05.2019

S. Murali Krishna
Company Secretary

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SOLARA ACTIVE PHARMA SCIENCES LIMITED
CIN: L24230MH2017PLC291636
Registered Office: 201, Devavrata, Sector 17, Vashi, Navi Mumbai 400 703
Tel: +91 22 27892924; **Fax:** +91 22 27892942
Corporate Office: 'Batra Centre', No. 28, Sardar Patel Road, Post Box No. 2630, Guindy, Chennai 600 032
Tel: + 91 44 43446700, 22207500; **Fax:** +91 44 22350278
Email: investors@solara.co.in; **Website:** www.solara.co.in

Attendance Slip

Annual General Meeting – August 14, 2019

Please complete this Attendance Slip and hand over at the entrance of the Meeting Hall.

Name of the Member	
Folio / DP & Client ID No.	
No. of shares held	

I certify that I am a member/ proxy of the member of the Company.

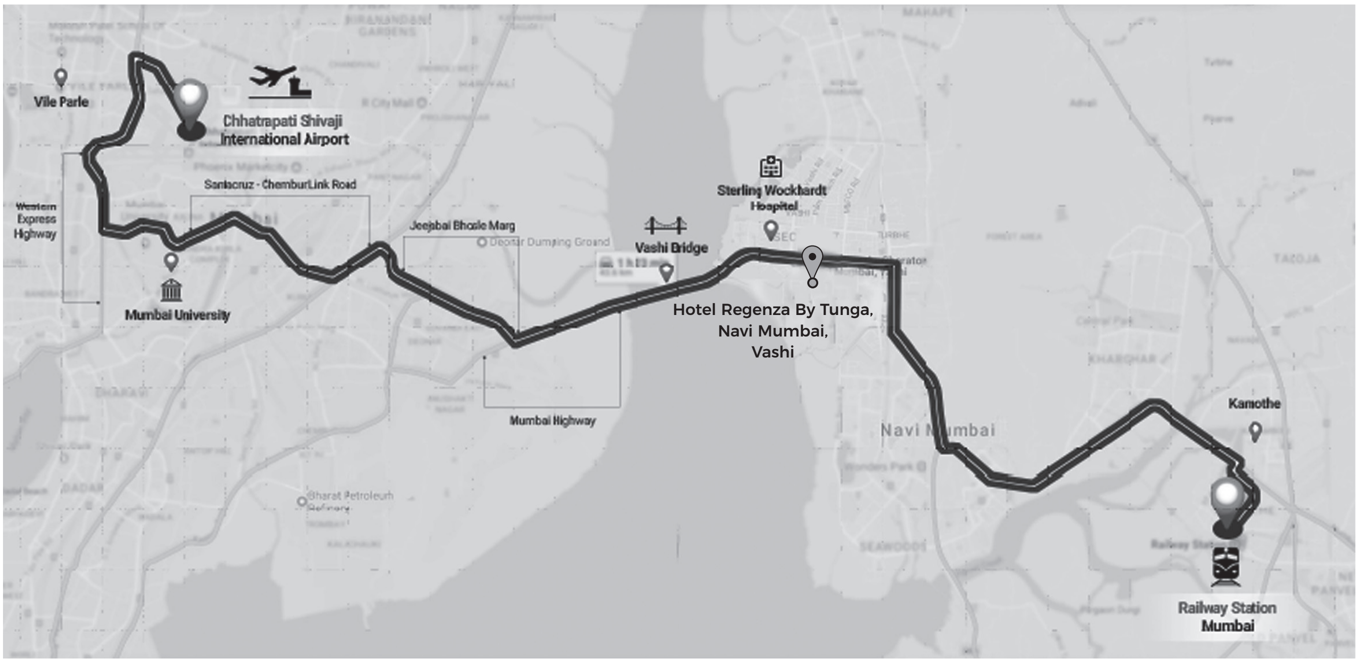
I hereby record my presence at the Second ANNUAL GENERAL MEETING of the Company, held at 10.30 a.m. at Hotel Regenza By Tunga, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703 on Wednesday, August 14, 2019

Name of the attending Member/ Proxy
(In BLOCK Letters)

Signature of the attending Member/ Proxy

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING

Venue: Hotel Regenza By Tunga, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400 703



SOLARA
Active Pharma Sciences

SOLARA ACTIVE PHARMA SCIENCES LIMITED
CIN: L24230MH2017PLC291636
Registered Office: 201, Devavrata, Sector 17, Vashi, Navi Mumbai 400 703
Tel: +91 22 27892924; **Fax:** +91 22 27892942
Corporate Office: 'Batra Centre', No. 28, Sardar Patel Road, Post Box No. 2630, Guindy, Chennai 600 032
Tel: + 91 44 43446700, 22207500; **Fax:** +91 44 22350278
Email: investors@solara.co.in; **Website:** www.solara.co.in

Proxy Form – Form MGT-11

[Pursuant to Section 105 (6) of Companies Act, 2013 and Rule 19 (3) of Companies (Management and Administration) Rules, 2014

Annual General Meeting – August 14, 2019

Name of the member(s):	
Registered Address:	
Email:	
Folio No. / Client ID	
DP ID	

I/ We, being a member/ members of ____________________ shares of the above named Company, hereby appoint:

Name:____ Email:____

Address : ____

____ Signature: ______________________Or failing him/ her

Name:____ Email:____

Address : ____

____ Signature: ______________________Or failing him/ her

Name:____ Email:____

Address : ____

____ Signature: ______________________Or failing him/ her

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Second ANNUAL GENERAL MEETING of the Company, to be held on Wednesday, August 14, 2019 at 10.30 a.m. at Hotel Regenza By Tunga, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai – 400 703 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolutions	Type of Resolution
Ordinary Business		
1	Adoption of Standalone financial statements for the year ended March 31, 2019	Ordinary Resolution
2	Adoption of Consolidated financial statements for the year ended March 31, 2019	Ordinary Resolution
3	Appointment of Director in place of Mr. Jitesh Devendra, retiring director	Ordinary Resolution
4	To declare a Dividend of ₹ 5/- per equity share of face value of ₹ 10/- each for the financial year ending March 31, 2019.	Ordinary Resolution
Special Business		
5	Approval for continuation of Mr. Deepak C Vaidya as a Non-Executive Director	Special Resolution
6	Appointment of Mr. Ronald Tjeerd De Vries as an Independent Director	Ordinary Resolution
7	Appointment of Mr. Ankur Nand Thadani as a Non-Executive Director	Ordinary Resolution
8	To ratify the remuneration payable to the Cost Auditor for the financial year 2018-19.	Ordinary Resolution
9	To obtain approval for Transactions/ Contracts/ Arrangements with Strides Pharma Science Limited (formerly known as Strides Shasun Limited) upto ₹ 600 crores in each financial year	Ordinary Resolution

Signed this __________ day of ______________ 2019

Affix revenue stamp

____

Signature of the Member

____

Signature of the Proxy

NOTE:

(1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy to be effective should be duly completed and deposited at the Registered Office/ Corporate Office of the Company not less than 48 hours before the commencement of the Meeting.

Disclaimer

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements—written and oral—that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe that we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

REGISTERED OFFICE
201, Devavrata,
Sector 17, Vashi,
Navi Mumbai - 400 703.
Tel.: +91 22 2789 2924
Fax No. +91 22 2789 2942
Email: investors@solara.co.in
Website: www.solara.co.in
CIN: U24230MH2017PLC291636

CORPORATE OFFICE
3rd & 4th Floor, Batra Centre, No.28,
Sardar Patel Road, Guindy,
Chennai - 600 032
Tel.: +91 44 4344 6700 / 2220 7500
Fax No. +91 44 2235 0278

/Concept, content and design at AICL (hello@aicl.in)