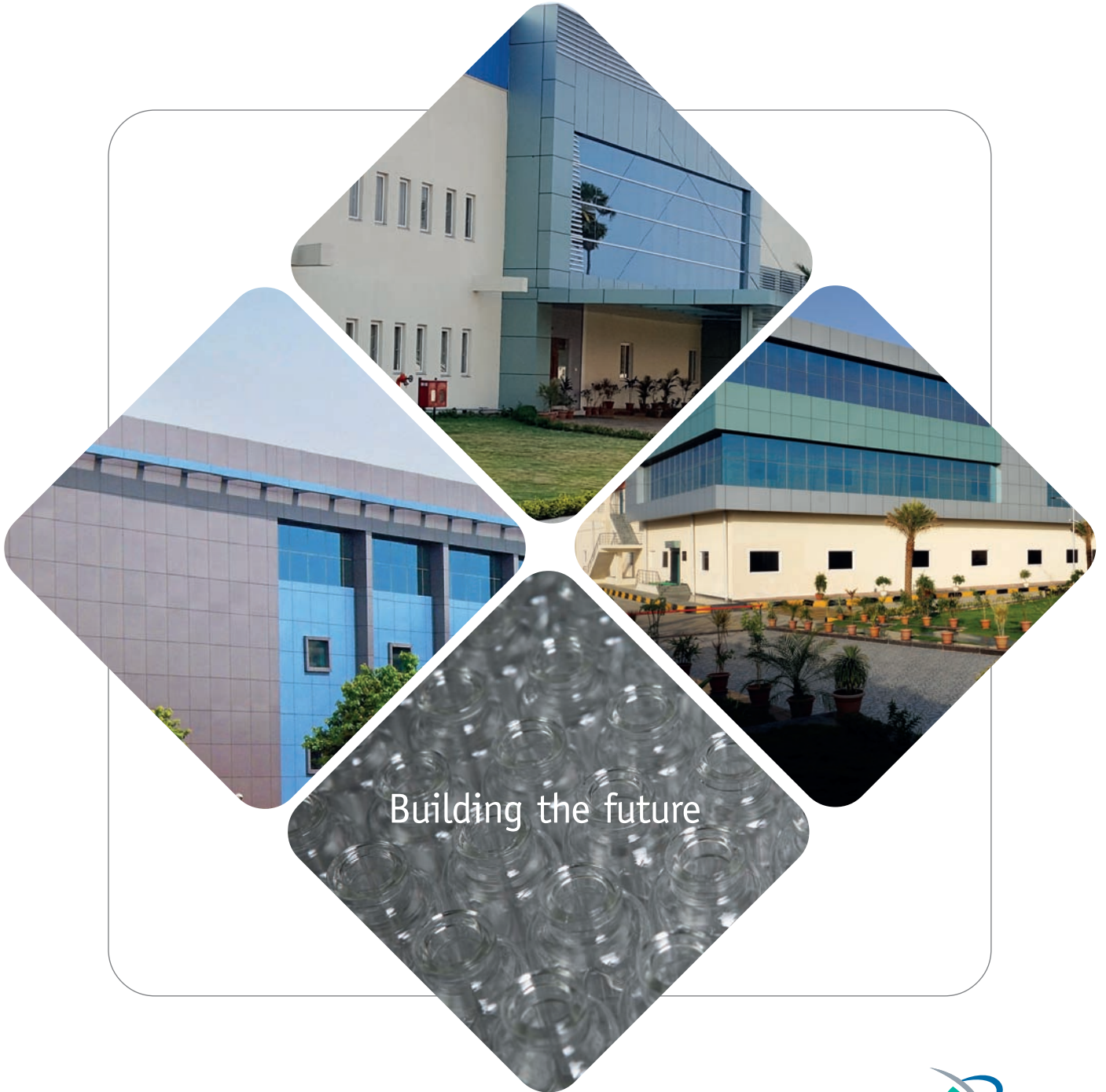


ANNUAL REPORT 2015-16



Building the future



AUROBINDO

AUROBINDO PHARMA LIMITED

Auro Mission

Aurobindo's mission is to become the most valued pharmaceutical partner to the world pharma fraternity by continuously researching, developing and manufacturing a wide range of pharmaceutical products that comply with the highest regulatory standards.

Auro Values

BUSINESS CARE

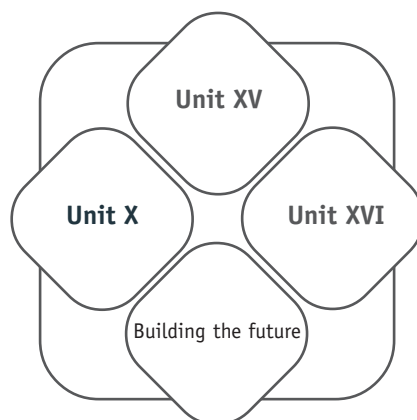
Operational Excellence
Stakeholder Orientation
Quality

PEOPLE CARE

Fairness, Humility and Respect for Individuals
Teamwork
Applied Learning

ORGANIZATION CARE

Accountability
Integrity
Achievement



On the cover: Images of three new manufacturing facilities being commissioned.

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Business overview

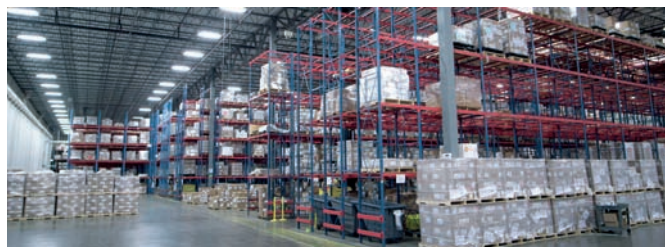


OUR BUSINESS

Aurobindo is a leading global pharmaceutical company producing oral and injectable generic formulations and active pharmaceutical ingredients (APIs). Consolidated revenues of the Company at ₹138,960.8 million in 2015-16, reflect 33.4% CAGR over the past three years.

Strengthened by several large manufacturing facilities approved by US FDA, UK MHRA, MCC-SA, ANVISA Brazil for both APIs & formulations and with strategic alliances with 46 subsidiaries & joint ventures, Aurobindo features among the top 5 companies from India in terms of consolidated revenues.

Aurobindo has been ranked as #7 prescription supplier in the US as per IMS total prescriptions dispensed as at March, 2016. The Company is among the top 15 generics companies by sales in Europe.



OUR PRESENCE

The Company exports to over 150 countries across the globe with more than 87% of its revenues derived out of international operations. The customers include premium multinational companies.

Headquartered at Hyderabad, India, the Company has a robust product portfolio spread over seven major therapeutic/product areas encompassing neurosciences, cardiovasculars, gastroenterologicals, antibiotics, anti-retrovirals, anti-diabetics and anti-allergics, supported by an outstanding R&D set-up. There is a well-entrenched US portfolio of 398 ANDAs filed, of which final approvals received for 215 as at March, 2016.



OUR STRENGTHS

Aurobindo's strength lies in vertically integrating its active pharmaceutical ingredients (APIs) with finished dosages for around 75% of its formulation products.

The vast scientific pool at Aurobindo creates intellectual wealth for the Company and commercializes cost effective, quality generic finished dosages.

The competitive advantage of the Company is to launch differentiated products including injectables, ophthalmics, specialty products and controlled substances. The focus is on complex molecules, differentiated technology platforms and specialty products.

Aurobindo employs more than 15,000 professionals, from over 30 countries, across various divisions - Research & Development, manufacturing, quality assurance, marketing, supply chain, commercial and HRD.



OUR WAY FORWARD

The Company is building leadership position in the business with its technical excellence, expertise in quality assurance, compliance with regulatory standards, and being recognized for cost competitiveness and customer focus.

Aurobindo aims to gain market share for existing products and by introduction of new products (presently 147 ANDAs under review including 40 ANDA filings for injectables) with a pipeline of products in neurosciences, cardiovasculars, ophthalmics, respiratory, peptides and penems.

New initiatives include gaining entry into complex R&D in new businesses and differentiated technology platforms such as oncology, hormones, enzymes, peptides, depot injections, inhalers, nasal and dermatology products.

Plans are to expand penetration of OTC products and capitalize on future OTC conversions and enhance nutraceuticals business profitably through a combination of cost and growth synergies.

In Europe, the strategy is to build on the turned around EU business and ramp up own filings.

Forward plans include launch of new ARV products and combinations as well as grow the existing market. New geographies are being explored in the emerging markets.

API capacities are being augmented to support growth in advanced markets.

Global presence

Aurobindo is a leading global pharmaceutical company producing oral and injectable generic formulations and active pharmaceutical ingredients. The Company exports to over 150 countries across the globe with more than 87% of its revenues derived out of international operations. The customers include premium multinational companies.



Ranked as #7 prescription supplier in the US

As per IMS total prescriptions dispensed, March 2016

Consolidated revenues

International	87%
Domestic	13%

Manufacturing facilities

(including wholly owned subsidiaries)

India	18
US	3
Brazil	1

Among the top 15 generics companies in Europe

by sales (Market reports)

Formulations revenues

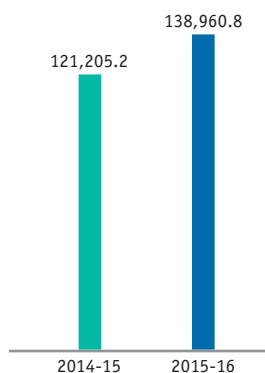
US	55%
Europe	28%
Emerging markets & ARVs	17%

Employee presence

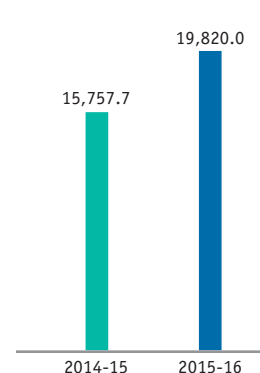
15,000+ employees from over 30 countries

Revenue (Net)

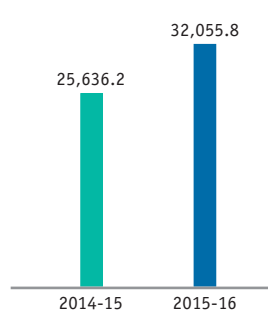
CONSOLIDATED ₹ Million

**Profit after tax**

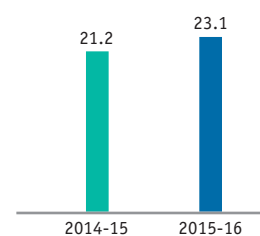
CONSOLIDATED ₹ Million

**EBITDA¹**

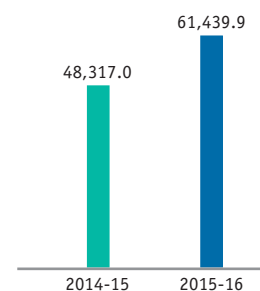
CONSOLIDATED ₹ Million

**EBITDA Margin¹**

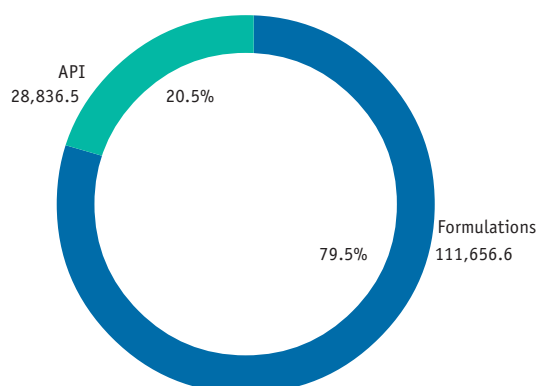
CONSOLIDATED %

**US formulations**

Revenues ₹ Million

**Revenue break-up**

2015-16 ₹ Million

**Formulations revenues**

2015-16 ₹ Million

**Portfolio mix (Products)**

Neurosciences	78
Cardiovasculars	65
Anti-retrovirals	38
SSP/Cephalosporin	30
Gastroenterologicals	25
Controlled substances	16
Anti-diabetics	11
Ophthalmics	10
Respiratory	10
Penems	3
Others	112
Total	398

Pipelines being added in oncology, hormones, depot injections, inhalers, patches and films

¹EBITDA (Earnings before interest, tax, depreciation and amortization) excluding forex & other income

Building the future

I am gratified that we did all that we set out to do. We anticipated highly competitive conditions and planned well to execute a strategy of exceptional operating performance, disciplined growth and aligned high-performance teamwork.

We did well on all business fronts: filed several product applications (ANDAs), received large number of product approvals, augmented manufacturing capacity, enhanced utilization, successfully launched new products and extended the strong presence of existing products. We also raised our reliability benchmarks, achieved higher revenues, lowered costs, improved EBITDA performance, reported superior profitability and healthy earnings per share.

Our success in steering the Company through the challenging times, has led us to step up dividend during the financial year and issue bonus shares in July 2015. This is an expression of our confidence in the health of the Company and its prospects, and reflects our commitment to ensuring shareholders participate in our success.

While we managed to gain momentum and create a platform for sustainable growth, continuous efforts were



made to minimize risks. We proactively examined our standards and processes on all key parameters with a clear objective: we want to sustain operational excellence. I am encouraged by the fact that we are progressing well.

Our earnings were supported by our strong balance sheet which puts us in a position to respond quickly to emerging opportunities in the market and step up deliveries. We were nimble to recognize and seize opportunities, enhance our competitiveness and upgrade our product mix.

Pharmaceutical industry is a people business. We have some of the best in the industry and I am grateful to all our employees for their dedication and passion that has helped us reach where we are.

Revenue
₹138,960.8
Million

EBITDA
₹32,055.8
Million

EBITDA
23.1%

We constantly strive to develop and optimize the professional and personal skills of our employees. Pharma business is a quality-intensive industry in which the commitment shown by our employees has a significant influence on business success. Aurobindo keeps ahead of the curve with human resource planning and investment in learning and development of its employees.

Our target is to enhance business growth by enabling engagement and performance. We will continue to focus on attracting and developing people for the future, and ensuring good leadership and organization efficiency.

We have redefined ourselves to grow to the next level and have hence, built a solid foundation for the Company's long-term development. The architecture is in place; now, it's time to consolidate and move to the next level.

Our US business will continue to lead, while we shall stay focused on profitability of the European operations. We see Europe as another growth ladder in the foreseeable future.

We are happy to have made a small beginning to introduce specialty branded generics. We are making investments in dermatology and inhaler products at our new facility at Raleigh, NC, USA. Research and development work has started on 18 products.

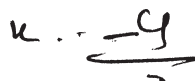
We have an encouraging progress in the Company's pipeline of high value products, which bodes well for the future. In order to cater to the increasing product basket and market opportunities, Members will be happy to know that we are working hard to commission three new manufacturing facilities in India which would contribute to the revenues in the foreseeable future.

While we shall have a disciplined and systematic approach to growth, we will ensure that there is considerable respect towards all aspects of compliance and regulatory requirements.

Looking ahead, we will be setting the stage to capitalize on the platform for growth being built assiduously. We are striving to become a scientifically stronger company, with newer technologies and difficult to develop specialty generics. We aspire to be a science based company with high quality earnings.

Our aim is to build a tomorrow that all of us are proud of. We shall therefore, aim higher, move faster and perform better than ever before. Our goals indeed have a stretch but are within reach based on the Company's proven capabilities supported by a team of accomplished employees.

We will execute the strategies with the same commitment and passion that we are known for to serve our customers, business partners and investors. Everyone associated with us can be certain that we shall reciprocate their trust.



K. Nithyananda Reddy

Vice Chairman

Profit after tax
₹19,820.0
 Million

Earnings per share (₹)
33.9

ANDAs filed in US
398
 As at March 31, 2016

Consolidated financials (2015-16)

Execution excellence

We had one more year of record revenues, increased profitability and a year when we significantly raised our levels of operational excellence. We demonstrated that our people can be globally competitive, operate safely and sustainably, maintain strong positions in attractive markets, and generate positive cash flow even during times of challenging currency movements.

At the consolidated level, the revenues increased by 14.6% over the previous year to ₹138,960.8 million while the EBITDA margin widened to 23.1% as compared to 21.2% in 2014-15. The diluted earnings per share grew by 25.6% to ₹33.92, reflecting robust execution, improved product mix, enhanced productivity and optimization of costs.

We delivered solid financial results fuelled by strong performance in the US market with our increasing number of differentiated oral and injectable products. US formulation business contributed 55% to the overall formulation revenue during the year, and the revenue generated from the US business grew by 27.2% over the previous year.

Formulations sales across all geographies grew by 16.8% to ₹111,656.6 million as against ₹95,586 million in the previous year and constituted 79.5% of the revenues while active ingredients made the balance 20.5%.



Revenue from active pharmaceutical ingredients (APIs) has been ₹28,836.5 million in the year under review, which is higher by 6.6% over 2014-15. The growth has mainly been led by the high value non-betalactam APIs, despite ramping up volumes to meet the exponential demand for in-house formulation manufacture. Debottlenecking efforts are being undertaken at the existing facilities to supplement API capacities.

We actively created synergies between the acquired businesses at Western Europe with the Company's existing ground presence in several European markets. The acquired business witnessed profitability during the year, contributed by business structures getting streamlined, integrated and optimized to improve information flow, decision making and control. The processes were simplified

Revenue CAGR

33.4%

Between 2012-13 & 2015-16

Return on equity

32.2%

Return on capital employed

26.2%

and made more efficient. These initiatives translate into better customer contact, add to cost effectiveness, create superior inventory management and drive profitability.

There was sustained growth in the emerging markets and for our ARV/HIV product portfolio. We believe the margins in these segments will climb in line with the rest of the business. There has been a growth in ARV formulations revenues by 24.5% to ₹11,998.8 million during the year, predominantly due to participation in certain notable tenders.

Formulations sales to the emerging markets such as Brazil, Ukraine, Mexico and MENA (Middle East and North Africa) as well as South Africa and Canada grew by 21.5% to ₹6,914.2 million during the year as compared to ₹5,691.9 million reported in 2014-15.

Our newly acquired nutraceuticals business has done as well as we planned. Our OTC products have started gaining a foothold in a highly competitive market.

Our achievements of the year are the result of a robust long-term strategy and excellent execution capabilities of our competent team. I will attribute our success to regular review of our strategies, priorities and more importantly, close supervision where primacy is given to quality, compliance, efficacy, safety and managing costs.

By benchmarking our activities against best industry practices and working to ensure that our processes match or exceed those standards, we are improving governance, transparency and efficiency while lowering costs.

Going forward, we will stay focused on high value products, productivity improvements and cost saving programs to increase profitability. Material cost and usage is being reviewed closely especially for APIs, excipients and packaging materials. We will stay determined on product life cycle management, derisk the business and improve operating efficiencies.

We are enhancing our supply chain performance in areas

such as forecasting system to estimate demand, material planning and procurement capabilities, production scheduling, asset utilization, operational efficiencies, productivity and improve on-time-in-full (OTIF) deliveries. The aim is to achieve more integrated operation that would help save time, add to our deliveries and enhance profitability.

Aurobindo is driving growth through several verticals. There is a determined foray into oncology and hormonal products, enzymes, peptides including microspheres, oral contraceptives, steroids, OTC offers, differentiated technology viz. nasal products, inhalers, patches and films.

In all the newer ventures, Aurobindo will build and leverage on its inherent strengths augmented by a team of generic industry-seasoned professionals. I assure you, our new business models are founded on core competencies. We have always believed execution is everything, and would like to excel in whatever we do.

There is enormous enthusiasm within Aurobindo to move ahead and, achieve better than what we have ever done before. We have an inspired team that is focused on customers, markets and opportunities and galvanized to produce superior performance results. This is a high energy organization.

We have enhanced our capabilities in research and development by creating niche, differentiated products and new technologies. We have further augmented our manufacturing capacities, improved our supply chain and strong marketing network, all of which makes us confident of our many strengths. These leadership initiatives make Aurobindo a great company to work for, do business with and invest in, with the promise of a remarkable future.



N. Govindarajan
Managing Director

Debt: Equity

0.54

Debt: EBITDA

1.2

Book value per share (₹)

120.6

New initiatives

Aurobindo is striving to become a scientifically stronger company, with newer technologies and difficult to develop specialty generics. We aspire to be a science based company with high quality earnings.

On the strength of the in-house expertise, the Company is taking several initiatives to make an impact on a few more product segments. Each of the following product groups is likely to improve the business mix, enhance revenues and add traction to the continuing momentum of the Company.

ONCOLOGY & HORMONAL PRODUCTS

The Company is in the process of developing a wide range of oncology and hormonal products. Our product capabilities would include vials (wet vials & dry vials), prefilled syringes, capsules and tablets that are used in the hospital as well as in oncology and renal clinics.

A new R&D Centre dedicated for generic research in the field of oncology and hormones has been set up at Hyderabad to develop anticancer drugs and hormonal products, both for solid and parenteral dosage forms.

The oral, solid dose formulations sections of oncology & hormone manufacturing facility has been completed and commissioned. The injectable areas of the oncology facility are expected to be commissioned in the later part of 2016. We have selected over 50 oncology products in our portfolio and the plans are to initiate the exhibit batches for more than 15 products in 2016-17 and the dossier filing in regulated markets are expected to be initiated in early 2017.

A new block to manufacture oncology API is being added keeping the future requirements. The manufacturing facility is expected to be operational in 2017-18.

DERMATOLOGY, INHALERS & NASAL PRODUCTS

Aurobindo is foraying into inhalation and dermatology specialties with a basket of products. Initially, development work has commenced for 2 inhalation products, with another 4 in the pipeline, and 18 dermatology products have been selected for development.

Research and development activities have commenced at the Raleigh, NC, USA R&D center with a small team of top notch R&D scientists. Initially, the Company has selected inhalation and topical/transdermal products such as pressurized metered dose inhalers, dry powder inhalers, creams, gels and ointments for development and manufacturing.

A pressurized metered-dose inhaler (pMDI) is a device that delivers a specific amount of medication to the lungs, in the form of a short burst of aerosolized medicine in a solution or suspension that is usually self-administered by the patient via inhalation. A dry-powder inhaler (DPI) is a device that delivers medication to the lungs in the form of a dry powder. pMDIs and DPIs are commonly used to treat respiratory diseases such as asthma, bronchitis, emphysema and COPD.

The plans are to complete the product filings by early 2018 and commercialize upon approval.

SPECIALTY INJECTION PRODUCTS

These belong to the microsphere technology. Aurobindo is foraying into formulation feasibility, fine tuning and scaling up of technology with a view to enter specialty injection products. Plans are on-going to file the first product in 2017-18. The objective is to launch four identified products, which together account for a market size of around USD 3 billion.

Microsphere technology based specialty injection products, also known as depot injections, refer to administration of a sustained-action drug formulation that allows slow release and gradual absorption, so that the active agent can act for much longer periods than is possible with standard injections. Depot injections are usually given deep into a muscle.

Oral route is the convenient and easier way to administer drugs. However, there are numerous drugs that could be administered by injection only. Some of the injections have to be taken life-long for some diseases. Taking injections for long period is inconvenient and painful. Sustained release injection is one of the specialty injection product categories to overcome this problem.

A single sustained release injection will maintain required concentration of drug in blood between several weeks to several months. The drug will be continuously available from these injections. These products are generally fine particles as suspensions or emulsions. Injected particles will stay at the site of injection for longer duration. For certain diseases these products are advantageously used for site specific drug delivery since concentration of drug at the injection site will be higher for longer duration.

In addition to the convenience, sustained release injection products provide sustained efficacious level of drug better than repeated daily injections. Dosage adherence is another benefit with specialty injection products. Several patients have poor discipline taking daily oral medication; replacing that with an injection given once in few months will have better dosage adherence.

Despite the advantages, manufacturing these products is challenging. Every process step involved in the fabrication of these injectable products has to be sterile. This is one of the challenges in producing these specialty injectable products.

The team at Aurobindo has the expertise to enter this high value segment, through both peptide and molecular route.

PEPTIDES

Peptides are naturally occurring biological molecules. They are short chains of amino acid monomers linked by peptide (amide) bonds. Aurobindo has started investing in peptide technology and is building a commercial facility with two modules commensurate with cGMP standards. Necessary equipment has been commissioned and we have developed technologies for about 15 products.

On the whole, there are over 30 peptides which are available globally and Aurobindo is capable of making each of these peptides and aspires to be an important player in the premium markets. Considering the capability that we have in terms of technology as well as competency in our experienced and talented resources, Aurobindo can compete with the best players in the industry, in the near future.

Validation batches have been completed for four peptides and sample shipments have commenced to customers for their development work. Drug Master Files are prepared and three filings have been done in 2015-16.

We have taken up some more peptide based products, in particular drug-device combination. We are attempting to take up two drug-device combination products in sterile segment, with exhibit batches planned in 2016-17. Product filing for these high value products would be in 2017-18.

Aurobindo is also working on adopting the clinical pathway (not bio-equivalence) for a few products. These are complex molecules, more complicated to develop and would need multi-centric trials. These will add to Aurobindo's niche product pipeline.

VACCINES

Aurobindo is entering the vaccines business with a joint venture for developing pneumococcal conjugate vaccine (PCV). Presently development work is on-going on PCV through use of novel vaccine technology compressing time and cost, thereby making such vaccine available at an affordable cost. Vaccines segment is another addition to the differentiated portfolio where there are unmet needs and limited competition.

Pneumococcal conjugate vaccine is a commercially available vaccine with limited competition and a global branded market of more than USD 6 billion. Aurobindo will hold a majority stake in the JV and will fund the product

development in a phased manner spanning over three years.

Development work for a few more products has commenced towards building a sizable vaccines portfolio. Toxicology studies have been completed. A cGMP pilot plant for clinical lot manufacture is ready and we are now working on clinical trial protocols. The plans are to create infrastructure for 50 million dosage per annum, with the first phase launch being targeted for 25 million doses.

All these efforts are being synchronized to achieve commercial launch of Aurobindo's branded products in 2018.

OVER-THE-COUNTER (OTC)

OTC products are a complement to the prescription drugs, as they trend towards preventive healthcare. Given increased patient awareness regarding various ailments and drugs, OTC products are meeting patient needs. This segment is growing and according to several analysts, faster than prescription drugs.

The Company's subsidiary, Aurohealth manufactures and markets a robust pipeline of innovative liquid and solid dose store brand (OTC) over-the-counter products. The mission is to develop as many OTC products for the US retail market as possible, providing a consistent and reliable supply, at a fair price and of the highest quality.

The plans are to include Rx to OTC switch molecules, ANDA & Monograph OTC products in various dosage forms/formats - solids (tablets, capsules, soft gels), liquids, semi-solids & nasal sprays.

The manufacturing sites are located at New Jersey, US at Lawrenceville with facility to make liquids and semi solids. A second facility is set up at Jedcherla, near Hyderabad, with capacity to manufacture solids (about 8 billion doses a year). This business is supported with adequate infrastructure including 200,000 sq ft of packaging & distribution facilities for solids & liquids.

Over 100 monograph dossiers for liquids have been prepared, out of which over 75 products have been launched. On solid dosages (capsules, tablets), about 25 dossiers have been completed and four products have been launched. Steps are under way to take up soft gelatine capsules and semi-solids.

The Company markets its products through well-established chain stores in the US. Our OTC products in the US are gaining penetration into several key regional markets. Aurobindo will strive to get a strong foothold in this competitive but attractive market.



PENEMS

Penem products are used as neuromuscular blockers while under anesthesia reversal. The Company has developed and made penem filings in regulated markets for three injectable products and the fourth injectable product has also been filed in first quarter of 2016-17. These four penems are high value products & the annual sales for them in the US, reported in March 2016, were around USD 500 million (as per IMS).

Aurobindo has selected difficult to develop penem products, in keeping with the corporate strategy. These products have already been launched in Brazil, Columbia, Mexico, Ukraine, Philippines & in some African countries. Some of these products are being launched in a few European countries in 2016-17 & the impetus will be gained when the launch takes place in US in 2016-17.

NUTRACEUTICALS

The Company's newly acquired US based entity Natrol manufactures and sells quality nutritional supplements in the US and select international markets. It offers branded products including vitamins, minerals, and supplements; diet and weight management products; sports nutrition products; and products for hair, skin, and nails. This acquisition is a strategic move to gain an entry for Aurobindo into the growing nutraceutical segment.

It is estimated that US nutraceuticals market is currently at around USD 38 billion and is expected to grow to USD 46 billion by 2018 as per 2015 Nutrition Business Journal. There is enough opportunity for growth not only within US but also elsewhere globally. Aurobindo would play an active role in the industry's growth trajectory.

Nutraceuticals industry is moving towards the pharmaceutical industry in terms of the regulatory

standards and stringent compliance standards are expected. Aurobindo will strive to take advantage since the Company has the necessary expertise to ensure that regulatory requirements are met.

Natrol is a 35-year-old Good Manufacturing Practices (GMP) vitamin and supplement manufacturer with well-established brands that has consistently achieved the highest 'A' rating from the Natural Products Association, an independent industry association responsible for certifying vitamins and supplements.

The capacity utilization is being ramped up to its potential. The focus areas for the medium term are to enhance the product portfolio, be cost competitive, increase the revenue and improve the margins.

In the first full year of operation in 2015-16 after the acquisition, this business grew by about 15% with EBITDA keeping pace with the overall corporate earnings.



Walking the extra mile



We recognize there can be no compromise on patient-safety. This approach commits us to work hard on the integrity in our quality systems, standard operating procedures and compliance standards. For us, product quality is an investment in to the future and we wish to be known as quality people.

Quality has been the cornerstone of our success. An Aurobindo product is a promise to the patient that it is safe to consume, that it complies with all regulation and meets high standards of quality.

We take nothing for granted. Under no circumstances do we compromise on the safety of a product and every effort is made to ensure compliance standards are met. Trained people, equipment and instruments are available through the operation, with effective supervision.

Our quality is embedded from the product development stage. All our technical/operational team members, both at the labs and in manufacturing, are trained in cGMP and other regulatory standards and put a premium on raising their awareness and in following all the laid down norms.

More importantly, our senior management gets involved in supervising compliance and quality standards.

We are a growing organization and hence have instituted sustainable systems and processes to cater for the additional volume of business. In order to sensitize the Company and bring about more professionalism and competency based working, there is considerable focus on quality and compliance right at the recruitment stage of employees. The new recruits have to demonstrate that they value current good manufacturing practices (cGMP), Six Sigma, TQM, compliance & assurance standards and safety and that these requirements are given priority over everything else. The recruits thereafter are encouraged to give priority for quality over quantity.

We have built a quality culture, with ability to notice a deviation and analyze everything that is out of trend. Quality therefore is a deliberate action. This implies a thorough knowledge of the product, its components and processes. More importantly, there is empowerment that contributes to actively enhancing the system.

Across the organization, there is a proactive approach to meet all desirable standards. For instance, US FDA and MHRA (UK) published their guidelines on data integrity. Aurobindo went ahead and proactively implemented all the data integrity policies and controls.

Similarly, EU has published their toxicology based limits for removing residues during cleaning processes to prevent contamination in the products and improve patient safety. We had implemented this procedure much before the guidelines were published.

We believe commitment to quality and being responsible is a competitive advantage and hence are constantly improving our standards by revisiting our processes, to achieve continuous quality improvement. Harmonization of systems across all units is an initiative that helps pre-empt problem areas.

In a bid to minimize mistakes, most of our processes and QA/QC systems and procedures are automated. Any deviation triggers a review process at an early stage, to be duly escalated to the senior management. Automation

enables us to minimize our risk perception, improve visibility and escalation process. We shall address our need to fully automate the processes and raise the assurance levels.

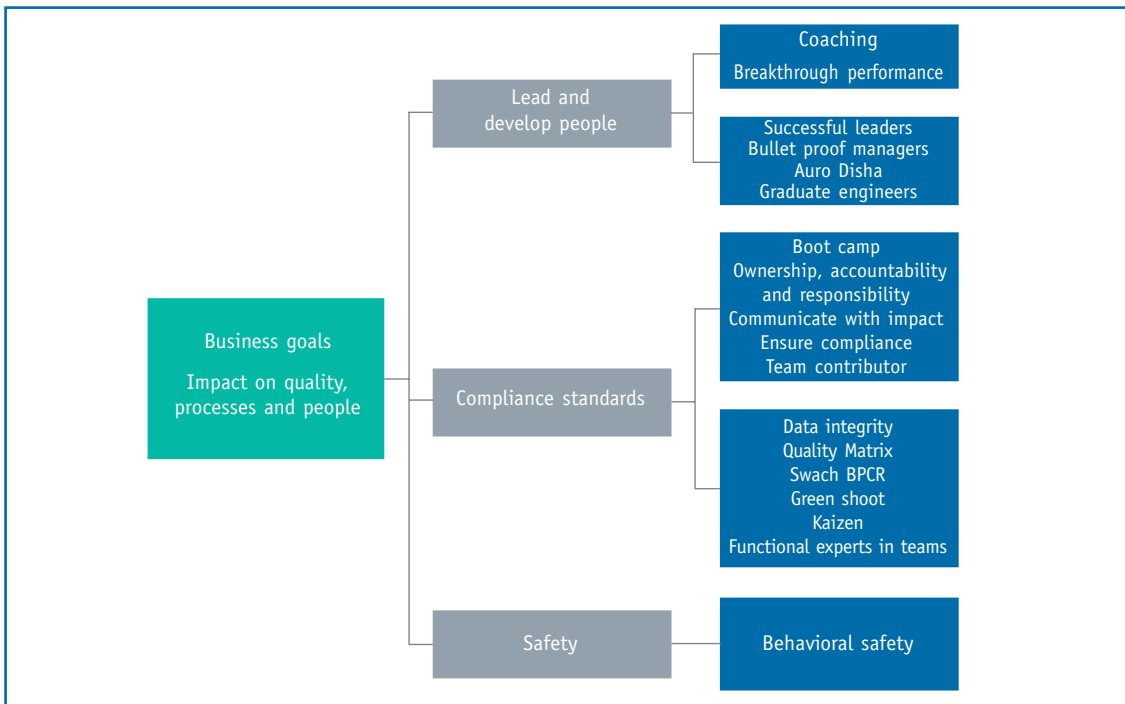
QA/QC at the facilities, throughout the organization, provide specific support, promote awareness, assume guardianship, review relentlessly and audit the system. They intervene in case of non-conformity. In addition, there is a remote review system, where another layer of audit ensures conformity.

The production system has in-process control thereby allowing the targeted achievement of product/process quality requirements. The documentation system has been made reliable with built-in accountability.

We at Aurobindo run a series of stringent controls to ensure that our products meet the needs of the patients and all production standards. Every initiative is taken to improve our processes and supervision.

The primary aim of our compliance management system is to enhance product quality processes. Care is therefore taken to raise the awareness and commitment level of the employees to adhere to SOPs through three pillars: communication, training and counseling.

Training methodologies and inputs inspire individuals to walk the extra mile to assure ourselves that we deliver products that meet process and compliance standards.



Raising the bar



The R&D team is increasingly focused on difficult to develop, niche oral, sterile, specialty injectable products, penems and peptide based drugs involving difficult, clinical end-point studies. There is a single minded focus on developing complicated molecules, differentiated offerings, broad spectrum products and newer technologies.

Aurobindo Pharma has already taken a leap in manufacturing of sterile products. Today, we have capabilities to develop and produce liquid, lyophilized and dry powder injectable in vials, ampoules and pre-filled syringes. The Company therefore has got one of the largest portfolio of solutions, suspensions and complex molecules for sterile products.

In Hyderabad, India, we are building end-to-end capabilities integrating an R&D centre of excellence and state-of-the art manufacturing with capabilities in clinical development and global regulatory affairs. Each of these

distinct areas are backed and resourced with qualified scientists and engineers working across protein chemistry, process characterization and engineering.

Some of the on-going niche product pipelines being developed are briefly listed below:

- Aurobindo has over 50 candidates for oncology in the pipeline, with over 15 products pegged for early stages of development;
- Another notable activity during the financial year was the start of development work on 6 products in the hormone segments. As in oncology, hormone products are both in injectable and solid dosage forms, for which the filings are expected to start soon;
- Work has been commenced on development of dermatology, inhalers and nasal products at our US development centers;
- Headway is being made on NDDS products and technology on liposomes and microspheres, to produce depot injections. These injectables are

22

ANDAs filed

49

Final approvals received

in 2015-16

capable of sustained release delivery of polypeptides from biodegradable polymeric microsphere;

- Considerable progress has been made in developing pneumococcal conjugate vaccines (PCV);
- Efforts are underway to make a small beginning by entering specialty branded generics;
- The Company has identified to develop/scale-up several niche products, which involve multi-step complex chemistry and complicated purification technology;
- Development work has commenced on complex molecules which take the clinical pathway route; and,
- Progress is being made on drug-device combination products.

As in the past, during the year, cost optimization continued to be a core area that was worked upon, for both the US and EU markets. We optimized at least 20 products.

The nutraceuticals and the OTC teams made significant contributions by commercializing new products.

In order to develop oncology APIs, an exclusive laboratory has been created with isolators and appropriate personal safety protection. A few APIs have been identified and development work is on-going.

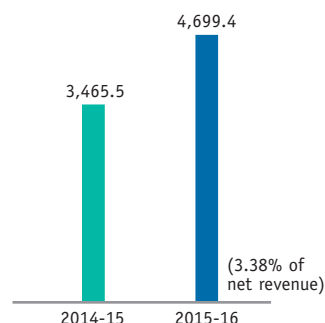
Chemical manufacturing processes of four active ingredients (APIs) were validated for in-time filing of NCE-1 ANDAs in the US with Paragraph-IV certification. At the same time, six additional molecules were identified during the year and process development was undertaken for NCE-1 filing in 2016-17.

During the year, new chemical technology has been adopted to improve the productivity and efficiency of some of the existing processes. Manufacturing technologies of 3 APIs were improved through these new initiatives.

Significant efforts were made to establish novel crystallization techniques to directly obtain drug substances with the desired particle size. In certain cases,

R&D Expenses

Consolidated ₹ Million



very fine particle size of drug substances have been achieved through crystallization techniques without multiple micronizations. Particle sizes of 7 APIs have been modified by the crystallization technique.

In terms of the filings to US FDA, a total of 398 ANDAs have been filed by Aurobindo as on March 31, 2016 out of which 251 ANDA approvals (215 final approvals including 10 for Aurolife Pharma LLC, and 36 tentative approvals; Tentative Approvals include 21 ANDAs approved under PEPFAR) have been received. The balance 147 ANDAs were under review for approval. During the year, Aurobindo filed 22 ANDAs, while 49 final approvals were received.

Similarly, as on March 31, 2016, the team has filed over 2,700 DMFs including 202 with US FDA. 158 patent applications were pending with various authorities and 18 have been granted patents.



Respect for the environment



Environment, health and safety practices across Aurobindo have a primary goal to raise awareness in the employees about the importance of safety, the need to conserve resources and protect the environment. As an organization, we strive to reduce risks to our business and to our reputation.

ENVIRONMENT

Every employee is sensitized and made responsible to look after himself and be conscious to prevent any harm to his colleagues and environment. Responsible employee behaviour is evidenced by the fact that sustainability has become an integral part of the business strategy and is visible in the corporate culture.

We are not only minimizing risk, but are also saving on costs & resources, reducing downtime and are therefore improving productivity. The corporate culture hence, demonstrates high level of commitment, responsibility, compliance, safety, communication, monitoring and review.

At the manufacturing stage, sustainability approach is reflected in the responsible processes that help to maximize efficiency, improve yield, and minimize waste, water and wastewater. We follow therefore, procedures that

are adopted for safety and quality such as ISO 14001:2004, HAZOP (Hazard and operability study) and ensure shortest possible routes in manufacture. Efficiency in use of resources has resulted in lower emissions of greenhouse gases, effluents and waste and maximized safety of employees and contributed to healthier environment.

Meticulous care is taken right up to the disposal of waste and discharges, treated wherever necessary, to minimize the impact on the environment. For instance, about 45% of total solid and hazardous process wastes generated in API units and 90% from formulations units are being disposed off, to be reused as auxiliary fuel in cement units. Consistency in recycling achieved was due to the infrastructure put in place for proper collection, segregation and disposal practices across the organization.

In wastewater management, all larger API units in Telangana have sustained zero liquid/zero process liquid

discharge systems. The treated water is being used for utility services, and reverse osmosis system is being installed in one of the API units located in Andhra Pradesh for treatment of utility wastewater and reuse. We are exploring further possibility of treatment and recycling of wastewater to reduce stress on ground water utilization.

Efforts are being made for continual improvement in segregation of liquid organic wastes at source itself; one such endeavour pursued is in segregation and collection of solvents being used in quality control, analytical labs and process R&D facilities to achieve reduction of organic load in wastewater and its treatment.

Environmental infrastructure was upgraded in the manufacturing units: in some units, the existing systems were further augmented with additional infrastructure that would lead to energy saving or cleaner handling of waste streams or emissions; in some others, newer systems were installed in areas such as AFD systems, RO systems, paddle/double drum driers and ESP for boiler. Some of these systems are planned to be replicated in other manufacturing units during 2016-17.

On-line ambient air quality monitoring system is set up in one of the API units and additional systems of the same are augmented in another API unit. All Aurobindo units are in compliance with the regulatory requirements in respect of on-line continuous monitoring systems.

Dedicated STPs were installed in two of the formulations units with MBBR technology, a patented procedure which is functioning satisfactorily. Similar systems are being planned in some of the API manufacturing units.

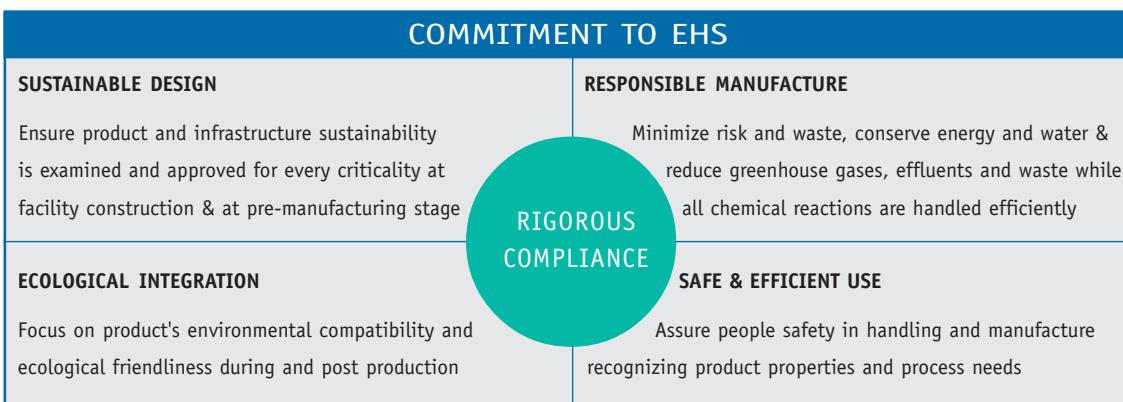
SAFETY

As a learning organization, we conduct rigorous evaluations of our structures and processes to raise our own standards.



Safety is a key issue in the Company. Our overriding approach as a company is that any workplace incident is absolutely unacceptable.

Our sustainability efforts start at the design & construction stage of the manufacturing facilities. In order to ensure that all new facilities comply with EHS guidelines, all project proposals and layouts are reviewed for EHS and all necessary requirements are in-built during construction phase itself. Similarly, we examine the product properties from the development stage itself. Care is taken at the design stage to use safest possible components as well as to maximize use of renewable resources.



We have launched several initiatives towards zero incidents. This process starts with investment in state-of-the-art manufacturing infrastructure, automation of the processes wherever practical, and by sensitized employees trained to be responsible for self and every colleague. There is an on-going up-gradation program, where every incident or near-miss in a manufacturing facility is used to enhance the standard of safety across all units. As a mission, we strive towards highest possible level of safety across the Company.

People safety at handling of chemicals and during manufacture remains a focus area. Employee awareness has been raised to recognize product properties and process needs, be sensitive to their own safety while handling, without compromising on performance and effectiveness. At the same time, every employee's suggestions are heard, appreciated and implemented, as necessary.

During the year, all new chemical processes were reviewed for safety elements before lab validation is done, so that necessary changes in process are implemented, and inherent safety is increased. Reaction Calorimeter and Differential Scanning Calorimeter are available in research centre to generate data on reaction hazards. Powder safety data is also generated and hazards identified at lab stage

itself. These data provide key inputs for safe design of process and the manufacturing facility.

HAZOP studies initiated in earlier years are continuing and 77 processes have been subjected to HAZOP study. Activity based risk assessment is also progressing well and 59 activities have been completed this year.

In order to effectively oversee implementation of several actionable items tracked at multiple sources, a CAPA tracking methodology has been implemented, where incomplete action items are highlighted on regular basis. These are being further fine tuned by installing a software based system to track completion of all actionable items.

Training remains a focus area, and a target of 0.5% of all man-hours on safety training was set at the start of the year. At the end of year, 0.52% was achieved. We intend to stabilize this, and move to higher targets in the future.

During the year, Aurobindo has added more nitrogen blanketing systems, VOC sensors, oxygen sensors linked to alarm systems and better training infrastructure. New and better technologies for fire fighting like aerosol based systems and water mist based systems are also installed in a few units.

Aurobindo conducts its business in accordance with its rigorous approach to EHS which are supported by effective management systems. These include:

- Well defined objectives and targets which are periodically reviewed;
- Active commitment to meeting all relevant legal and other requirements to which the Company is subject to and monitoring compliance through periodic assessment;
- Continuous improvement in EHS performance, including prevention of pollution, hazard reduction and the protection of human health;
- Robust training systems to ensure that all persons working for or on behalf of the Company adhere to their EHS responsibilities;
- Regular assessment of the EHS impact and interactions of all new and existing business activities and products;
- Promotion of efficient use of energy and natural resources to minimize environmental impact;
- Encourage good health and wellness of our employees; and,
- Vigorous participation in initiatives for green cover development, in and around manufacturing locations.



Pursuit of perfection

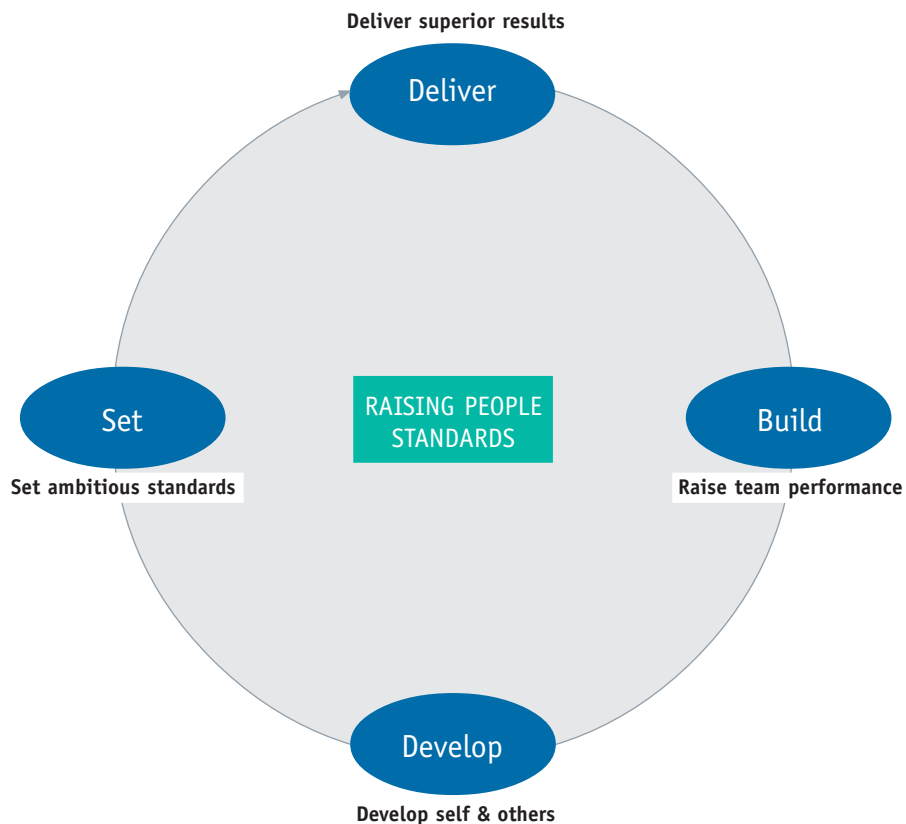
Whether in quality, compliance, safety, productivity or anything else, we are in pursuit of perfection. Our aim is clear: Our efforts, on a daily basis, are to improve ourselves over the previous day. We are a young, learning organization with some of the best industry professionals taking the Company forward.

Aurobindo is committed to healthier life. Inspired by this vision, the leadership in the Company is taking determined steps towards ensuring that patient-first message reaches all its employees. This acts therefore as the trigger to institute robust processes, better documentation practices and safe conditions.

During the year, the aim was to strategize for building a large pool of leaders for tomorrow; creation of a talent pool

that we can depend upon. Therefore, a meaningful multi layered training model was designed and implemented.

Our competency development efforts are aligned to the strategic needs and focused guidance to employees to take ownership for their own growth and team's operational excellence. At the same time, organizational objectives are being aligned with individuals' professional development goals.



We inducted 25 graduate engineer trainees (GET) into the system at the entry level, oriented, trained and integrated them into the system. This is a year-long effort that will reap its benefits in years to come. Year on year, the policy will now enable 25 GETs join the system. Much benchmarking and studies were conducted to develop a robust policy.

At the mid level management, we tied up with international consultants to work on 24 key competencies required to transform managers to leaders, an initiative that was implemented. A year-long Management Development Program was designed with assessment centers, reviews and presentations made to senior management to raise the standards. This initiative has already started yielding results.

Manufacturing Council is another initiative designed for the top leaders of the organization to share, contribute and cascade critical knowledge with the team. All leaders meet frequently to exchange working knowledge and experience related to the challenges overcome, best practices, compliance and excellence in production, across all facilities. Analytical dialogues have led to robust reviews, strengthening of leadership and communication within a larger landscape. Senior management was also trained on how to be effective mentors to help enhance performance standards of their team.

A plethora of initiatives were cascaded to ensure compliance within processes. As part of ensuring that business goals are met, emphasis was given throughout the year to compliance standards, the need to lead and develop people and commitment to safety.

For instance, ensuring compliance standards is a series of training sessions targeted at cGMP, data integrity, SOP training, communication skills, ownership, planning and team work. Separate workshops were conducted to better

understand Quality Matrix and data integrity for the mid-to-senior level management. Behavioral based safety for the entire senior management team was organized in partnership with one of the best business schools in the country.

We at Aurobindo offer a world of learning opportunities, including those aimed at up-skilling, upgrading, cross-skilling or re-skilling for our employees through a slew of training programs in regulatory compliance, technical skills, soft skills and leadership aspects. There is customized skill orientation program helping the organization to augment the specific skill set, to impact the operations positively.

The human resource strategy is designed to attract the best professional suited to the Company, to nurture the employees, to build long-term relationship and promote excellence.

Aurobindo relies on its well-trained and motivated team of employees to build a strong corporation that is oriented to the core elements of strategy, structures and processes as well as on APL values. These take everyday performance initiatives which include:

- Drive for performance;
- Strive for excellence, and
- Deliver on promise.

Continuous investment is being made to steer everyone towards respect for best practices and being accountable for patient-health; where what matters is performance, excellence and credibility; where each one makes a difference to what we deliver.

The focus is to create a holistic performance led organization where quality and compliance drives individual productivity and achievement; a place where people take responsibility in pursuit of perfection, for self and others.



Contributing to good life

Aurobindo's social activities are an expression of how we live up to our responsibilities. For us commitment goes beyond business. We work to make an impact on society, with our products for patient-health and safety; with our environmental initiatives towards safeguarding our neighbourhood; and, with community partnerships to 'give back to society'.

We contribute to good life and engage in activities that promote a sustainable society. Our contributions are visible in areas such as promoting education, supporting preventive health care, eradicating hunger, poverty & malnutrition, providing safe drinking water, encouraging environmental sustainability, ecological balance & conservation of natural resources, sponsoring rural sports and supporting old age homes etc.

All our initiatives are aimed at adding value to people, especially the under privileged.

We do not just donate to an organization, but follow up to ensure that the activity/asset for which the contribution is made, is actually executed. We believe in creating long-term assets such as class rooms for schools, dual desks, bags, books, ambulance, geriatric eye care centre, infrastructure for RO drinking water, construction of roads, fire stations and toilets for schools, etc.

Beyond all these, we earmark a very large proportion of funds to educate village boys and girls. In effect, we create societal wealth.

During the financial year, Aurobindo undertook the following activities:



PROMOTING EDUCATION

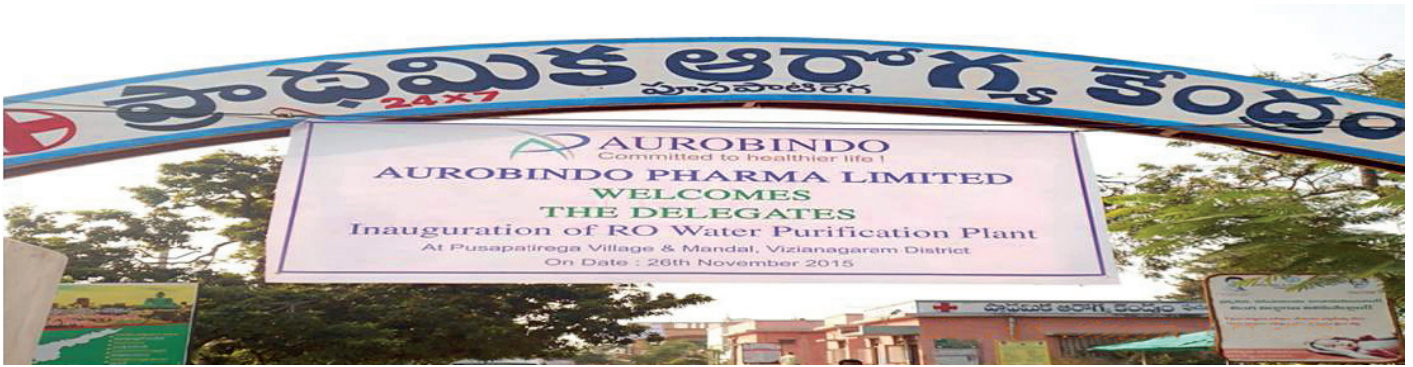
- Payment of salaries of Vidya volunteers;
- Construction/repair of class rooms/toilets;
- Painting/providing water in several government schools, colleges & stadium under Swachh Bharat;
- Construction of Government Degree College (Patancheru) and providing full-fledged furniture like dual desks, cupboards, tables, lab tables and chairs;
- Distributed school bags & note books in various government schools;

- Assisted in setting up of libraries for orphans and at government high school;
- Provided digital education in 10 schools;
- Contributed towards empowerment of women through critical knowledge about health, safety, self awareness, communication skills, etc.;
- Donated towards employment enhancing vocation skills, and police constable coaching for the socially & economically backward groups;
- Offered scholarship to students towards education from economically backward groups and offered financial support for educating prisoners' children; and
- Distributed dual desks in various government schools.

PREVENTIVE HEALTH CARE, SANITATION & ROAD SAFETY

- Donated to LV Prasad Eye Institute (Aurobindo Geriatric Eye Care Centre), Visakhapatnam;
- Under healthcare & sanitation, supplied cleaning materials to 30 village panchayats;
- Donated operation theatre table to government public health centre;
- Donated amount towards rehabilitation of children with special needs;
- Contributed to national conference to bring awareness on rare diseases;
- Provided construction materials & supplied of medical equipment to diabetic hospital for senior citizens & socially, economically backward groups;
- Supplied safe drinking water, free distribution of medicines and conducted health camps;
- Assisted in rehabilitation & skill development of mentally & hearing impaired handicapped children & adults;
- Donated for purchase of air conditioned ambulance, paid maintenance expenses for two fire stations; and,
- Installed closed circuit cameras at several public places such as highways towards ensuring public safety.





PROVISION OF SAFE DRINKING WATER

- Aurobindo has set up water purification project (RO) water plants with Any Time Water (ATW) cards & coin system, dug bore wells, set up sintex tanks with pipelines, 3-phase motors and RO water plants.
- The Company has constructed sumps for drinking water purpose along with submersible motor and other accessories.
- In several villages, the Company supplies drinking water through water tankers.



HUNGER, POVERTY, MALNUTRITION ALLEVIATION

- Aurobindo distributed food items to Chennai flood victims, as part of disaster relief;
- Provided food to fire accident victims in a few villages;
- Under 'Bhojanamrita', feeding of under privileged people and donated amount towards construction of centralized kitchen; and,
- Supplied free meals to in-patient attendants and poor people of a 300 bed hospital.





**ENVIRONMENTAL SUSTAINABILITY,
ECOLOGICAL BALANCE & CONSERVATION OF
NATURAL RESOURCES & ANIMAL WELFARE**

- Under 'Haritha Haram' programme planted trees, erected cement, plastic and M.S. tree guards for maintenance of plants;
- Donated to Sri VenugopalswamiMandirGoshala towards animal welfare;
- Constructed gobar gas plant for generation of power for usage of Goshala cows.

DONATION TO OLD AGE HOME

Contributed towards expansion of old age home, 'Sai Krupa' - a home for the aged.

RURAL DEVELOPMENT PROJECTS

Laying/widening/repairing of rural roads and construction of village sewage water drainage system in several villages towards rural development.

Provided drinking water facility and donated amount towards skill development & employment enhancing programs for the rural youth, donated towards free education & free meals to children studying in rural areas, and conducted surveys for need assessment in two villages for adopting them.

PROMOTION OF RURAL SPORTS

Donated to sportsmen & women for training in rural sports and nationally recognized sports.



We are certain that we must contribute to the quality of life of people in our neighbourhood. As in the past, we shall continue to foster positive relationships with communities and favourably impact their lives.

Board of Directors



1. Mr. K. RAGUNATHAN

(born 1963) Non-Executive Chairman, an Independent Director, is a Chartered Accountant by profession and a leading management consultant. He has over three decades of experience in consulting services.

2. Mr. K. NITHYANANDA REDDY

(born 1958) Whole-time Director & Vice Chairman, a promoter of the Company. He holds a Masters Degree in Science and has been associated with the Company from the initial days. He is well-versed with the manufacturing technology and supervises the overall affairs of the Company.

3. Mr. N. GOVINDARAJAN

(born 1968) Managing Director, is a B.E. (Mechanical) from Annamalai University. He has more than 25 years of experience across a variety of domains such as active ingredients, CRAMS, finished dosages & biotechnology.

4. Dr. M. SIVAKUMARAN

(born 1943) Whole-time Director, he holds a Masters Degree in Science and has been awarded a PhD in Organic Chemistry. He has about 43 years of experience in the pharmaceutical industry and is responsible for the technological evolution of the Company. He looks after research and development, new product development and total quality management.

5. Mr. M. MADAN MOHAN REDDY

(born 1960) Whole-time Director, has a Masters Degree in Science (Organic Chemistry) and has held top managerial positions in leading pharmaceutical companies. He commands over 25 years of valuable experience in the pharmaceutical industry. He looks after formulations manufacturing of the Company.

6. Mr. P. SARATH CHANDRA REDDY

(born 1985) Whole-time Director, he is a graduate in Business Administration. He is a second generation entrepreneur experienced in general management and has expertise in project executions, IT, procurement, etc.

7. Mr. P.V. RAMPRASAD REDDY

(born 1958) Non-Executive Director and a promoter of the Company. He is a postgraduate in Commerce and prior to promoting Aurobindo in 1986, he held management positions in various pharmaceutical companies. In 2008, the widely read World Pharmaceutical Frontiers, announced he is among the top 35 most influential people in the pharmaceutical industry.



8. Mr. M. SITARAMA MURTY

(born 1943) Non-Executive, Independent Director, did his Masters in Electronics. He is a professionally qualified banker. He has over three decades of experience as a banker and has held various positions in nationalised banks and retired as Managing Director & CEO of State Bank of Mysore, in 2003. His specialised areas of interest are international banking, foreign exchange, money markets, funds management, credit management, rural development, computerisation, commercial law and systems.

9. Dr. D. RAJAGOPALA REDDY

(born 1959) Non-Executive, Independent Director, holds Master's Degree in Science and has been awarded a PhD in Organic Chemistry. He has over three decades of experience in the pharmaceutical industry and is the Chairman and Managing Director of Erithro Pharma Private Limited.

10. Dr. (Mrs.) AVNIT BIMAL SINGH

(born 1964) Non-Executive, Independent Director of the Company. She holds an M.B.B.S. degree and is a Post Graduate in obstetrics & gynecology. She is a medical practitioner and a senior obstetrician/gynecologist based at Hyderabad.



Chief Financial Officer

Mr. SANTHANAM SUBRAMANIAN

VP (Legal) & Company Secretary

Mr. A. MOHAN RAMI REDDY
(upto May 31, 2016)

Company Secretary

Mr. B. ADI REDDY
(from June 1, 2016)

Statutory Auditors

M/s. S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Oval Office, 18 iLabs Centre,
Hi-tech City, Madhapur,
Hyderabad - 500 081

Internal Auditors

M/s. KPMG
1st Floor, Lodha Excelus,
Apollo Mills Compound,
N.M. Joshi Marg, Mahalaxmi,
Mumbai - 400 011

Bankers

Andhra Bank
Canara Bank
DBS Bank Limited
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
Standard Chartered Bank
State Bank of Hyderabad
State Bank of India

Registrars & Transfer Agents

M/s. Karvy Computershare Private Limited
Karvy Selenium, Tower B, Plot No.31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032
Phone : +91 40 6716 2222
Fax : +91 40 2300 1153
E-mail : einward.ris@karvy.com

Corporate website

www.aurobindo.com



Unit IV



Unit VII

Certifications

API UNITS

Unit I	US FDA
CVS	MHRA (U.K.)
CNS	PMDA (Japan)
Anti-allergics	ANVISA (Brazil)
Cephalosporins (non-sterile)	TGA (Australia)
	KFDA (Korea)
	COFEPRIS (Mexico)
	WHO

Unit VIII	US FDA
ARVs	MHRA (U.K.)
CVS	PMDA (Japan)
CNS	ANVISA (Brazil)
	TGA (Australia)
	KFDA (Korea)
	COFEPRIS (Mexico)
	WHO

Unit IX	US FDA
Intermediates	

Unit V	US FDA
Penicillins	MHRA (U.K.)
	EDQM (France)
	PMDA (Japan)
	ANVISA (Brazil)
	TGA (Australia)
	COFEPRIS (Mexico)

Unit XI	US FDA
ARVs	MHRA (U.K.)
CVS	PMDA (Japan)
CNS	ANVISA (Brazil)
	TGA (Australia)
	KFDA (Korea)
	COFEPRIS (Mexico)
	WHO

FORMULATIONS UNITS

Unit III	US FDA
Multipurpose Non-Betalactam	MHRA (U.K.)
	INFARMED
	TGA (Australia)
	Health Canada
	ANVISA (Brazil)
	MCC (SA)

Unit VII	US FDA
Multipurpose Non-Betalactam	INFARMED
	TGA (Australia)
	Health Canada
	ANVISA (Brazil)
	MCC (SA)
	KFDA
	GCC

Unit IV	US FDA
Injectable (general category), Inhalation and Ophthalmic	ANVISA (Brazil)
	INFARMED
	GCC

Unit XII	US FDA
Semi-synthetic penicillins (Sterile & non- sterile)	MHRA (U.K.)
	TGA (Australia)
	Health Canada
	ANVISA (Brazil)
	MCC (SA)
	FIMEA (Finland)
	GCC

Unit VI B	US FDA
Cephalosporins (Sterile & non- sterile)	FIMEA (Finland)
	TGA (Australia)
	ANVISA (Brazil)
	Health Canada
	MCC (SA)
	GCC

Bioequivalence centre (inspected)	US FDA
	MHRA (U.K.)
	AFSSAPS (France)
	MCC (SA)

Regulatory Filings

as at March 31, 2016

		FILED	APPROVED
FORMULATIONS			
NDA/ANDAs	USA	398	251
	Europe	187	149
	South Africa	167	84
	Canada	105	84
	TOTAL	857	568
APIs			
DRUG MASTER FILINGS	USA	205	
	Europe		
	New Registrations	115	
	Multiple Registrations	1,574	
	Others	715	
	Certificate of Suitability	118	
	TOTAL	2,727	





Notice of Annual General Meeting

Aurobindo Pharma Limited

CIN - L24239TG1986PLC015190

Registered Office:

Plot No.2, Maitri Vihar, Ameerpet,

Hyderabad - 500 038

Phone : +91 40 2373 6370

Fax : +91 40 2374 7340

E-mail : info@aurobindo.com

Website : www.aurobindo.com

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Members of Aurobindo Pharma Limited will be held on **Wednesday, the 24th day of August, 2016 at 3.30 p.m. at Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad - 500 034** to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Standalone Balance Sheet as at March 31, 2016, Statement of Profit and Loss and Cash Flow Statement for the financial year ended March 31, 2016 and reports of Directors and Auditors thereon.
- To receive, consider and adopt the Audited Consolidated Balance Sheet as at March 31, 2016, Statement of Profit and Loss and Cash Flow Statement for the financial year ended March 31, 2016 and report of Auditors thereon.
- To confirm the first interim dividend of ₹0.50, second interim dividend of ₹0.60, third interim dividend of ₹0.70 and fourth interim dividend of ₹0.70, in aggregate ₹2.50 per equity share of ₹1 each, as dividend for the year 2015-16.
- To appoint a Director in place of Mr. K. Nithyananda Reddy (DIN: 01284195) who retires by rotation at this Annual General Meeting and being eligible, seeks re-appointment.
- To appoint a Director in place of Mr. M. Madan Mohan Reddy (DIN: 01284266) who retires by rotation at this Annual General Meeting and being eligible, seeks re-appointment.
- To ratify the appointment of the Auditors and fix their remuneration and in this regard 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 Sections 139,142 and other applicable provisions, if any, of the Companies Act, 2013, read with Rules made there under, the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Registration No.101049W) as Statutory Auditors of the Company, approved in the 27th Annual General Meeting, until 30th Annual General Meeting, be and is hereby ratified in this Annual General Meeting till the conclusion of next Annual General Meeting, with remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS

- To revise the remuneration of Mr. N. Govindarajan (DIN:00050482), Managing Director and in this regard 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 Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other consents/approvals as may be required, and the authority vested to the Board of Directors by the Members at the 28th Annual General Meeting of the Company held on August 27, 2015, the remuneration of Mr. N. Govindarajan, Managing Director of the Company be and is hereby revised with effect from March 1, 2016 for the remaining period of his tenure i.e. up to May 31, 2018 as detailed below subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:

a.	Salary	₹1,435,940 per month.
b.	House rent allowance	₹957,293 per month.
c.	Medical reimbursement	i. Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
		ii. Mediciam insurance as per rules of the Company.
d.	Leave travel concession	For self & family once in a year as per the rules of the Company.
e.	Other allowances	₹1,281,200 per annum.
f.	Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.	
g.	Provision of Company's car with driver.	
h.	Encashment of leave as per the rules of the Company.	

"RESOLVED FURTHER THAT in addition to the above salary and perquisites, commission will also be payable up to 1% of the net profits of the Company calculated in the manner referred in Section 198 of the Companies Act, 2013 subject to a ceiling of ₹9 crore for each financial year with effect from 2015-16, as may be decided by the Board of Directors of the Company, subject to the overall remuneration payable to Mr. N. Govindarajan, Managing Director of the Company not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

8. To revise the remuneration of Mr. M. Madan Mohan Reddy (DIN: 01284266), Whole-time Director and in this regard 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 Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other consents/approvals as may be required, and the authority vested to the Board of Directors by the Members at the 28th Annual General Meeting of the Company held on August 27, 2015, the remuneration of Mr. M. Madan Mohan Reddy, Whole-time Director of the Company be and is hereby revised with effect from March 1, 2016 for the remaining period of his tenure i.e. up to May 31, 2018 as detailed below subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:"

a.	Salary	₹1,150,000 per month.
b.	House rent allowance	₹766,666 per month.
c.	Medical reimbursement	i. Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
		ii. Mediclaim insurance as per rules of the Company.
d.	Leave travel concession	For self & family once in a year as per the rules of the Company.
e.	Personal accident insurance	Premium not exceeding ₹25,000 per annum.
f.	Club fees	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
g.	Provident fund, superannuation benefits and gratuity as per the rules of the Company, subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.	
h.	Provision of Company's car with driver.	
i.	Provision of free telephone at residence.	
j.	Encashment of leave as per the rules of the Company.	

9. To appoint Mr. P. Sarath Chandra Reddy (DIN: 01628013) as Whole-time Director and in this regard 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 Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other consents/ approvals as may be required Mr. P. Sarath Chandra Reddy (DIN: 01628013) be and is hereby appointed as Whole-time Director of the Company for a period of three years with effect from June 1, 2016, whose term of office shall be liable to determination by retirement of directors by rotation, at a remuneration and perquisites as detailed below with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. P. Sarath Chandra Reddy, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:"

a.	Salary	₹375,000 per month.
b.	House rent allowance	₹250,000 per month.
c.	Medical reimbursement	i. Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years. ii. Mediclaim insurance as per rules of the Company.
d.	Leave travel concession	For self & family once in a year as per the rules of the Company.
e.	Personal accident insurance	Premium not exceeding ₹25,000 per annum.
f.	Club fees	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
g.	Provident fund, superannuation benefits and gratuity as per the rules of the Company, subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.	
h.	Provision of Company's car with driver.	
i.	Provision of free telephone at residence.	
j.	Encashment of leave as per the rules of the Company.	

By Order of the Board



A. Mohan Rami Reddy

Vice President (Legal) & Company Secretary

Hyderabad
May 30, 2016

Notes

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of Members up to and not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company. Further, a Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. In order to become valid, the proxy forms should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting. The proxy form is enclosed.**
- A Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in the Notice, is annexed.
- Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the Members at the Registered Office of the Company on all working days during business hours up to the date of the meeting of the Company.
- The Register of Members and Share Transfer Books of the Company will remain closed from August 18, 2016 to August 24, 2016 (both days inclusive).
- The Board of Directors of the Company has declared first interim dividend @ 50% i.e. ₹0.50 per share of ₹1 each, second interim dividend @ 60% i.e. ₹0.60 per share of ₹1 each, third interim dividend @ 70% i.e. ₹0.70 per share of ₹1 each and fourth interim dividend @ 70% i.e. ₹0.70 per share of ₹1 each for the year 2015-16. The Board of Directors of the Company did not recommend any further dividend for the year 2015-16.
- The unpaid/unclaimed dividend for the year 2007-08 and unpaid/unclaimed interim dividend for the year 2008-09 were

- transferred to the Investor Education and Protection Fund (IEPF). The Company has uploaded the details of the unpaid and unclaimed dividend amounts of the previous years' on the website of the Company (www.aurobindo.com) and also on the website of Ministry of Corporate Affairs. The unpaid/unclaimed dividend for the year 2008-09 will be transferred to the Investor Education and Protection Fund of the Central Government on the due date.
7. Members holding shares in physical form are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agents, M/s. Karvy Computershare Private Limited. Members holding shares in electronic form may intimate any such changes to their respective Depository Participants (DPs).
 8. To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through electronic mode. For this purpose, the details such as, name of the bank, name of the branch, 9-digit code number appearing on the MICR band of the cheque supplied by the bank, account type, account number, etc. are to be furnished to your DP if the shares are in electronic form or to the Registrar & Transfer Agents, if they are held in physical mode.
 9. The annual report for 2015-16 is being sent by electronic mode only to the Members whose E-mail addresses are registered with the Company/Depository Participant(s) for communication purpose unless any Member has requested for a hard copy of the same. For Members who have not registered their E-mail addresses, physical copies of the annual report 2015-16 are being sent by the permitted mode. Members who have not registered their E-mail addresses so far are requested to register their E-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
 10. In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and as per the requirements of the SEBI Listing Regulations, 2015, the Company is providing the facility, to its Members holding shares in physical or dematerialized form as on the cut-off date, i.e. August 17, 2016, to exercise their right to vote by electronic means on any or all of the agenda items specified in the accompanying Notice of Annual General Meeting. Details of the process and manner of E-voting along with the User ID and password are being sent separately to all the Members along with the Notice.
 11. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for 2015-16 will be available on the Company's website. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to E-communication, or have any other queries, may write to us at ig@aurobindo.com
 12. Brief resume of Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and membership/chairmanships of Board Committees and shareholding in the Company as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Report on Corporate Governance forming part of the Annual Report.
 13. Members are requested to bring their attendance slip along with their copy of the Annual Report to the meeting.

Statement pursuant to Section 102(1) of the Companies Act, 2013

Item 7

The Members of the Company at the 28th Annual General Meeting held on August 27, 2015 approved re-appointment of Mr. N. Govindarajan as Managing Director of the Company for a period of 3 years with effect from June 1, 2015 with a remuneration of ₹2.25 crore per annum and other perquisites, with liberty to the Board of Directors to alter and vary the terms and conditions of the re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. N. Govindarajan, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof. In addition to the salary and perquisites, commission will also be payable up to 1% of the net profits of the

Company calculated in the manner referred in Section 198 of the Companies Act, 2013 subject to a ceiling of ₹4 crore for each financial year, as may be decided by the Board of Directors of the Company.

Mr. N. Govindarajan, Managing Director is responsible to the overall affairs of the Company. The business operations of the Company are growing substantially and there has been increase in the Managing Director's responsibilities. He has been part of sustained growth of the Company. In view of the same, the Board of Directors of the Company felt it appropriate to revise the remuneration of Mr. N. Govindarajan, Managing Director of the Company, commensurate with his role and responsibilities. Accordingly, the Board

of Directors of the Company at its meeting held on February 9, 2016 revised the remuneration of Mr. N. Govindarajan, Managing Director based on the recommendation of the Nomination and Remuneration/Compensation Committee and subject to the approval of the Members of the Company, from ₹2.25 crore per annum to ₹3.00 crore per annum and other perquisites with effect from March 1, 2016, with no changes in the other terms and conditions of his appointment.

In addition to the salary and perquisites, the Board of Directors of the Company, based on the recommendation of Nomination and Remuneration/Compensation Committee and subject to the approval of the Members of the Company, also revised the Commission payable to

Mr. N. Govindarajan, up to 1% of the net profits of the Company calculated in the manner referred in Section 198 of the Companies Act, 2013 subject to a ceiling of ₹9 crore (Previously: ₹4 crore) for each financial year with effect from the financial year 2015-16 as may be decided by the Board of Directors of the Company.

The aforesaid revision of remuneration and Commission shall be within the ceiling limits as mentioned in Schedule V of the Companies Act, 2013.

No Director, Key Managerial Personnel or their relatives, except Mr. N. Govindarajan, to whom the resolution relates, is interested or concerned in the Resolution.

The Board recommends the Ordinary Resolution set forth in Item 7 for approval of the Members.

Item 8

The Members of the Company at the 28th Annual General Meeting held on August 27, 2015 approved re-appointment of Mr. M. Madan Mohan Reddy as a Whole-time Director of the Company for a period of 3 years with effect from June 1, 2015 at a remuneration of ₹1.30 crore per annum and other perquisites, with liberty to the Board of Directors to alter and vary the terms and conditions of the re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. M. Madan Mohan Reddy, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof.

Mr. M. Madan Mohan Reddy looks after the formulations plant operations and supply chain management. Considering his multiple roles and responsibilities, the Board felt it appropriate to revise the remuneration of Mr. M. Madan Mohan Reddy, Whole-time Director of the Company, commensurate with his role and responsibilities. Accordingly, the Board of Directors of the Company revised the remuneration of Mr. M. Madan Mohan Reddy, Whole-time Director based on the recommendation of Nomination and Remuneration/Compensation Committee and subject to the approval of the Members of the Company, from ₹1.30 crore to ₹2.30 crore per annum and other perquisites with effect from March 1, 2016 with no changes in other terms and conditions of his appointment.

The aforesaid revision of remuneration shall be within the ceiling limits as mentioned in Schedule V of the Companies Act, 2013.

No Director, Key Managerial Personnel or their relatives, except Mr. M. Madan Mohan Reddy to whom the resolution relates, is interested or concerned in the Resolution.

The Board recommends the Ordinary Resolution set forth in Item 8 for approval of the Members.

Item 9

The Board of Directors of the Company at its meeting held on May 30, 2016 based on the recommendation of Nomination and Remuneration/Compensation Committee, appointed Mr. P. Sarath Chandra Reddy as a Whole-time Director of the Company with effect

from June 1, 2016 for a period of three years, subject to the approval of the Members at the ensuing Annual General Meeting.

The terms of appointment of Mr. P. Sarath Chandra Reddy and remuneration payable to him are as set out in Item 9 of the Notice.

Mr. P. Sarath Chandra Reddy is on the Board of the Company since September 27, 2007 as a Non-Executive Director. He belongs to the promoter group of the Company. A brief profile of Mr. P. Sarath Chandra Reddy and name of the companies in which he holds directorships and memberships/chairmanships of board/committees, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in Report on Corporate Governance forming part of the Annual Report.

No Director, Key Managerial Personnel or their relatives, except Mr. P.V. Ramprasad Reddy and Mr. K. Nithyananda Reddy to whom Mr. P. Sarath Chandra Reddy is related and Mr. P. Sarath Chandra Reddy, to whom the resolution relates, is interested or concerned in the Resolution.

The Board recommends the Ordinary Resolution set forth in Item 9 for approval of the Members.

By Order of the Board



A. Mohan Rami Reddy
Vice President (Legal) &
Company Secretary

Hyderabad
May 30, 2016

Boards' Report

Dear Members,

Your Directors are pleased to present the 29th Annual Report of the Company together with the audited accounts for the financial year ended March 31, 2016.

FINANCIAL RESULTS

Standalone financials

	2015-16	2014-15
		₹ Million
Gross Turnover	93,227.6	82,448.4
Profit before depreciation, interest, tax and exceptional items	26,323.6	23,176.4
Depreciation/amortization	2,630.0	2,451.5
Finance cost	652.7	565.8
Exchange difference adjusted to borrowing cost	1,640.4	755.6
Profit before tax	21,400.5	19,403.4
Provision for tax/deferred tax	5,203.8	4,240.0
Net Profit after tax	16,196.7	15,163.5
Balance brought forward from previous year	41,682.3	28,278.4
Balance available for appropriation	57,879.0	43,441.9
Appropriations		
Dividend on equity shares: Interim	1,461.4	1,312.8
Final	–	–
Tax on dividend	297.5	250.4
Depreciation adjusted (as per Schedule II)	–	196.4
Transferred to general reserve	–	–
Surplus carried to Balance Sheet	56,120.1	41,682.3

DIVIDEND

Your Directors have approved a fourth interim dividend of 70% i.e. ₹0.70 per equity share and together with the first interim dividend of 50% i.e. ₹0.50 per equity share, second interim dividend of 60% i.e. ₹0.60 per equity share and third interim dividend of 70% i.e. ₹0.70 per equity share, the total dividend for the financial year 2015-16 comes to 250% (Post 1:1 bonus issue) i.e. ₹2.50 per share on the equity share of ₹1 against 450% i.e. ₹4.50 per share of ₹1 paid in the previous year.

BONUS

As Members are aware, during the year, your Company allotted 291,982,275 equity shares of

₹1 each to the shareholders of the Company as bonus shares in the ratio of 1:1.

PERFORMANCE REVIEW

Your Company had a healthy financial performance during the year contributed by a strong product portfolio of complex products and differentiated technology. There was a significant growth momentum in all markets with solid overall results. The focus was on execution of the strategies, improving the product mix and gaining presence in the markets. Your Company shall strive to sustain the performance with the continuation of approvals, expansion of manufacturing capacities and being in verticals that add value to Aurobindo and its stakeholders.

There was a robust growth in revenues, operating profit and net profit. Aurobindo achieved a 14.5% increase in standalone revenue in 2015-16 to ₹93,495.0 million. At ₹26,323.6 million, the operating profit including forex and other income exceeded the corresponding previous year by 13.6%.

Profit before tax for the year at standalone level was ₹21,400.5 million, a growth of 10.3% over 2014-15 while the net profit at ₹16,196.7 million is a growth of 6.8% over ₹15,163.5 million reported in 2014-15. The diluted earnings per share is ₹27.72 as compared to ₹25.98 (adjusted for bonus shares issued in July 2015).

The rupee depreciated by 7% during the year which entailed a foreign exchange loss of ₹1,640.4 million to your Company, due to restatement of the Company's debt, most of which are dollar denominated.

At the consolidated level, the revenues increased to ₹138,960.8 million, a growth of 14.6% over the previous year. EBITDA margin widened to 23.1% as compared to 21.2% in 2014-15. EBITDA for the year was ₹32,055.8 million as against ₹25,636.2 million in the previous year and the diluted earnings per share grew by 25.6% to ₹33.92, reflecting robust execution, improved product mix, enhanced productivity and optimization of costs. The Company saw sustained growth in all markets, especially in the US, emerging markets and for its ARV/HIV product portfolio.

US formulation business contributed 55% to the overall formulation revenue during the year, as against 50.5% in the previous year. The revenue generated from the US business grew by 27.2% at ₹61,439.9 million in 2015-16 over the previous year sales of ₹48,317.0 million. The sales uptick gained traction with the launch of several new oral and injectable products in the US and the performance of the nutraceuticals business. Aurobindo received 49 final approvals from the US FDA during the financial year, which helped add to the momentum and market presence.

OTC products in the US continued to gain penetration into several key regional markets. The current portfolio consists of over 75 products and a few more are being developed which are expected to be commercialized in 2016-17.

Europe sales were at ₹31,303.7 million in 2015-16 over the previous year sales of ₹31,947 million. The focus during the year was on working towards synergies between the acquired businesses at Western Europe with the Company's existing ground presence in several markets. The acquired business witnessed profitability during the year, contributed by business structures getting streamlined, integrated and optimized to improve information flow, decision making and control. The processes were simplified and made more efficient. These initiatives translate into better customer contact, add to cost effectiveness, create superior inventory management and drive profitability.

As part of further enhancing the European business with a focus on cost optimization, several products earmarked for Europe are being developed at the research centre at Hyderabad and a large manufacturing facility is being commissioned dedicated for supplies at Visakhapatnam. Shipments from this Unit XV facility would commence in 2016-17.

Formulations sales to the emerging markets such as Brazil, Ukraine, Mexico, and MENA (Middle East and North Africa) as well as South Africa and Canada grew by 21.5% to ₹6,914.2 million during the year as compared to ₹5,691.9 million reported in 2014-15. There has been a growth in ARV formulations revenues by 24.5% to ₹11,998.8 million during the year, predominantly due to participation in certain notable tenders.

Formulations sales across all geographies grew by 16.8% to ₹111,656.6 million as against ₹95,586 million in the previous year and constituted 79.5% of the revenues while active pharmaceutical ingredients (APIs) made the balance 20.5%.

Revenue from APIs has been ₹28,836.5 million in the year under review, which is higher by 6.6% over 2014-15. The growth has mainly been led by the high value non-beta lactam APIs, despite ramping up volumes to meet the exponential demand for in-house formulation manufacture. Debottlenecking efforts are being undertaken at the existing facilities to supplement API capacities. Your Company sells API to domestic as well as the global markets.

As in the past, Aurobindo made long-term investments in all key markets with its customer

relationships, strategic partnerships and improved business mix and market share. With a view to ensure sustainable growth, the Company continued to augment manufacturing capacity. This was another year focused on operational excellence, compliance standards, quality assurance, productivity improvement and highest priority to health and safety.

In order to enhance business intensity, employee engagement and performance was targeted. Aurobindo continued to attract and develop people for the future to ensure good leadership and organizational efficiency. Determined efforts on enhancing margins, raising profitability and cash flow generation helped lower the debt and improve the quality of the balance sheet.

Overall, every initiative and endeavour was designed to shape a successful future for the Company.

OUTLOOK

Aurobindo's strategy is to develop and bring to market specialty and complex generic products including injectables, where the active pharmaceutical ingredient is difficult to source, or significant manufacturing or regulatory hurdles exist and are difficult to overcome, or where product is in short supply. The focus is on demand led products that have a sustainable elevated market, where the demand is for high value, difficult to develop complex products.

Accordingly, your Company has been having a strategy of filing for select, differentiated products and as the approvals are received, commercialization leads to market expansion.

Increasing launch of recently approved injectable products and improved economics of the commercialized products are likely to make an impact on the revenues and bottom line. Several of these are niche and high value products which would further improve the product mix in the market.

The anticipated launch of some of the products recently approved by the FDA and increased volumes of existing products is expected to keep the momentum going over the next few quarters. Several of the products that were approved by the FDA in recent times and several others that await

approval are considered to be large market opportunities. More important, the manufacturing capacities are in place to meet the requirement. The Company therefore looks forward to significantly ramp up contributions from the products over the foreseeable future.

There are several products under development in the oncology and hormonal verticals which are likely to be filed over the next 12 to 18 months. Progress is being made at development stage in microsphere technology, especially on formulation feasibility, fine tuning and scaling up of technology with a view to enter depot injection products. Plans are on-going to file the first product in 2017-18. The objective is to launch four identified products, which together account for a market size of around USD 3 billion. As stated earlier, the focus is in qualitatively adding to a differentiated product basket.

The Company has developed and made penem filings for three injectable products for the US market and the fourth product is filed in first quarter of 2016-17. These four penems have an addressable market of about USD 500 million as per IMS March 2016 data. Aurobindo has selected difficult to develop penem products, in keeping with the corporate strategy. While the products have been launched in Brazil and Mexico, the impetus will be gained when the launch takes place in US in 2016-17.

At Natrol, the business is encouraging. New products are being developed and launched and in line with the growth momentum the R&D pipeline is being strengthened.

Aurobindo offers solid value proposition to its customers with a breadth of portfolio. The build up in portfolio with complex products makes your Company a partner of choice. The team at Aurobindo has been steadily improving on its timing of supplies, especially its on-time-in-full (OTIF) record. Investments are being made in further enhancing the supply chain dynamics, to improve reliability of deliveries while optimizing on costs. There is a perceptible change favourably impacting the customers and driving your Company's growth.

Aurobindo is driving growth through several verticals. There is a determined foray into

oncology and hormonal products, enzymes, peptides including microspheres, oral contraceptives, nasal products, steroids, OTC offers, differentiated technology viz depot injections, inhalers, patches and films. In all the newer ventures, Aurobindo will build and leverage on its inherent strengths augmented by a team of generic industry-seasoned professionals. Your Company has strong relationships in the market that would help to create businesses with a broad, unique product portfolio in record time. In essence, the new business models are founded on core competencies.

In financial terms, the objective is to strive for higher predictable and calibrated growth, and improve EBITDA margin and Return on Investment. The target is to stay cash flow positive, improve the quality of the balance sheet, lower the leverage, reduce interest outgo and expand earnings year-on-year

Your Company has set a vision to build businesses that meaningfully impact their addressable markets, are respected for customer centric products and services, meet industry benchmarks in productivity of resources, are recognized for quality and compliance standards and in the ultimate analysis, create societal wealth for all stakeholders.

RESEARCH & DEVELOPMENT

Aurobindo's new product development initiatives range from conventional oral and injectable products to more complex and advanced dosages. The focus during the year was to prioritize on the difficult and niche products including oral and sterile, peptide drug products involving difficult clinical end-point studies. In filing ANDAs such products involved innovative and highly development intensive work. Cost optimization continued to be a core area that was worked upon, for both the US and EU markets.

The nutraceuticals and the OTC teams made significant contributions by launching new products. Another notable activity during the financial year was the start of development work on more than 20 products in the oncology and hormone segments, both in injectable and solid dosage forms for which the filings are expected over the next 12 to 18 months. Further, product development has been initiated in new segments such as dermatology products and nasal drug delivery.

The continuous innovative and skillful work being done by R&D team is seen in the number of approvals received over the years with revenue growth and productivity gains. The regulatory product approvals for the ANDAs filed in the past as well as increased contribution/commercialization of the development projects already undertaken, will continue to demonstrate the intellectual property strengths of your Company.

In order to develop oncology APIs, an exclusive laboratory has been created with isolators and appropriate personal safety protection. A few APIs have been identified and development work is on-going.

Analytical capabilities were enhanced by acquiring the advanced models of GCMS, LCMS and ICPMS in order to comply with the stringent ICH guidelines for control of genotoxic impurities and toxic metal ions. These would further improve quality of drug substances and would also facilitate regulatory approvals as impurities as low as less than 1 ppm can be identified and quantified with these new equipments. Additionally, an advanced XRD machine has been acquired to detect and quantify polymorph contamination at very low levels.

Chemical manufacturing processes of four APIs were validated for in-time filing of NCE-1 ANDAs in the US with Paragraph-IV certification. At the same time, six additional molecules were identified during the year and process development was undertaken for NCE-1 filing in 2016-17.

In terms of the filings to US FDA, a total of 398 ANDAs have been filed by Aurobindo as on March 31, 2016 out of which 251 ANDA approvals (215 final approvals including 10 for AuroLife Pharma LLC, and 36 tentative approvals) have been received. The balance 147 ANDAs are under review for approval. During the year, Aurobindo filed 22 ANDAs, while 49 final approvals were received.

Similarly, as on March 31, 2016, the team has filed over 2,700 DMFs including 202 with US FDA. So far, 158 patent applications are pending with various authorities and 18 have been granted patents.

ENVIRONMENT, HEALTH & SAFETY

Your Company demonstrated consistency in successful implementation of wastewater

treatment, recycle/reuse, hazardous waste disposal and recycling from environmental management considerations, across all manufacturing locations. Consents from local regulatory agencies have been obtained for four green field drug formulation units.

Environmental infrastructure has been further upgraded in some of the manufacturing facilities. In some cases, the existing systems are further augmented with additional infrastructure that would lead to energy saving or cleaner handling of waste streams or emissions. Some of these systems include ATFD systems, RO systems, paddle/double drum driers and ESP for boiler. Some of these systems are planned to be replicated in other manufacturing units where necessary during 2016-17.

On-line ambient air quality monitoring system is set up in one of the API facility and additional systems of the same are augmented in another API unit. The Company's facilities are in compliance with the regulatory requirements in respect of on-line continuous monitoring systems.

Dedicated STPs are installed in two of the formulations units with MBBR technology; a patented procedure which is functioning satisfactorily. Similar systems are being planned in some of the API manufacturing units.

Preparation for ISO 14001 accreditation process of one of the API unit is complete and certification is expected during the year. It is proposed to initiate the process for one more API unit during 2016-17.

As part of plantation drive, about 15,000 saplings were planted in 2015-16. In 2016-17, it is proposed to plant another 10,000 saplings.

On the safety aspect, all new chemical processes are reviewed for safety elements before lab validation is done, so that necessary changes can be implemented in the processes, and inherent safety is enhanced. Reaction calorimeter and DSC are installed in the research centre to generate data on reaction hazards. Powder safety data is also generated at a third party lab and hazards identified at lab stage itself. This data will provide key inputs for safe design of process and plant in which the process operates.

Hazard and operability (HAZOP) studies initiated in earlier years are continuing and 77 processes

have been subjected to HAZOP study. Activity based risk assessment is also progressing well and 59 activities have been completed this year.

In order to effectively oversee implementation of actionable items derived from multiple sources, a corrective and preventive action (CAPA) tracking methodology is implemented, where incomplete action items are highlighted to senior management on immediate basis.

Aurobindo's safety team ensures that all new facilities comply with EHS guidelines, and hence all project proposals and layouts are reviewed for EHS, and necessary requirements are in-built from the construction phase itself.

Training is a focus area, and a target of 0.5% of all man-hours on safety training was set at the start of the year. At the end of year, 0.52% was achieved. The awareness levels will be further enhanced with higher targeted training in the coming years.

HUMAN RESOURCE DEVELOPMENT

During the year, the aim was to strategize for future leaders of tomorrow; creation of a talent pool that can be depend upon. Therefore, a meaningful multi-layered model was designed and implemented.

25 graduate engineers were inducted into the system at the entry level, and were oriented, trained and integrated into the system. This is a year-long effort that will reap its benefits in years to come. Year on year, the 25 GETs would be inducted in to the system. Much benchmarking and study was conducted to develop a robust recruitment and induction policy.

At the mid level management, the Company tied up with international consultants to work on 24 key competencies required to transform managers to leaders and was implemented within the year. A year-long MDP was designed with assessment centers, reviews and presentations made to senior management which had a perceptible impact on the Company's operations.

The in-house Aurobindo Training and Development Centre (ATDC) recruits, trains and helps absorb talented employees. During the year, we have recruited through this route over 230 employees (M.Pharm, M.Sc., B. Pharm & ITI/diploma holders). Adequate care is taken to ensure that the

candidates were fully equipped with appropriate skill sets to perform their duties from day one.

Across the organization, every employee has been sensitized towards technical excellence, continuous improvement and to respect the assurance standards in the interest of protecting the process and product quality and patient health.

An advanced management training system 'Nichelon 5 CMS' is implemented at all formulation units, global pharmaco-vigilance and at APL Healthcare. As part of harmonization, Nichelon5 CMS has been implemented at Auronext, a subsidiary of the Company during 2015-16 and also initiated implementation at other subsidiaries such as Aurobindo USA, and in the Western Europe operations.

AWARDS

Your Company was honoured in January 2016, the Indian Drug Manufacturers' Association IDMA Margi Memorial Best Process Patent Award 2014-15 for three US patents.

The Pharmaceuticals Export Promotion Council of India (Pharmexcil) conferred upon your Company a Certificate of Appreciation in recognition of commendable contribution in bulk/APIs category.

The Chief Commissioner of Central Excise, Customs and Service Tax, Hyderabad felicitated your Company in February 2016 for outstanding performance during the financial year 2014-15.

SUBSIDIARIES/JOINT VENTURES

As per the provisions of Section 129 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary companies/associate companies/joint ventures is detailed in Form AOC-1 and is in **Annexure-1** to this Report.

During the year, the following are the changes in the subsidiaries of the Company:

Closure of subsidiaries

- Actavis France (Merged with Arrow Generiques, France retrospectively from April 1, 2015);
- APL IP Company Limited;
- APL Holdings (Jersey) Limited;

- Helix Healthcare B.V. has sold entire shareholding of Aurobindo Pharma (Australia) Pty Limited, Australia and its subsidiary Aurobindo Pharma NZ Limited, New Zealand on April 10, 2015.

Changes in structure/ownership

- Milpharm Limited was acquired by Agile Pharma B.V. from Helix Healthcare B.V.;
- Aurobindo Pharma B.V. was merged into Actavis B.V. On the same day, Actavis B.V. was renamed as Aurobindo Pharma B.V.

Changes in the names of subsidiaries

- Aurex B.V. was renamed as Pharmacin B.V.;
- A separate company Pharmacin B.V. was renamed as Aurex B.V.;
- Actavis Deutschland GmbH & Co. KG was renamed as Puren Pharma GmbH & Co. KG.

The process of liquidation of Aurobindo Pharma (Singapore) Pte Limited, a dormant company, is pending with Registrar of Companies, Singapore.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standards 21 issued by the Institute of Chartered Accountants of India (ICAI) and as per the provisions of Companies Act, 2013. As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separately, the audited accounts of its subsidiaries on its website www.aurobindo.com and copy of audited financial statements of its subsidiaries will be provided to the Members at their request.

VIGIL MECHANISM

The Board of Directors has adopted the Whistle Blower Policy which is in compliance with Section 177(10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All permanent employees and whole-time directors of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concerns about unethical behavior, actual

or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases. The Whistle Blower Policy is available on the Company's website <http://www.aurobindo.com/about-us/corporategovernance>.

POLICY ON SEXUAL HARASSMENT

Your Company has constituted an Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Company has a policy on prevention & prohibition of sexual harassment at workplace. The policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. During the year, no complaints have been received under the policy.

RATING

The Long-term Fitch Rating of your Company has been upgraded to 'IND AA+' from 'IND AA' indicating stable outlook of the Company.

MEETINGS OF THE BOARD

The Board and Committee meetings are pre-scheduled and a tentative calendar of the meetings finalized in consultation with the Directors to facilitate them to plan their schedule. However, in case of special and urgent business needs, approval is taken by passing resolutions through circulation. During the year under review, six Board Meetings and six Audit Committee Meetings were convened and held. The details of the meetings including composition of Audit Committee are provided in the Corporate Governance Report. During the year, all the recommendations of the Audit Committee were accepted by the Board.

DIRECTORS

As per the provisions of the Companies Act, 2013, Mr. K. Nithyananda Reddy and Mr. M. Madan Mohan Reddy will retire at the ensuing annual general meeting and being eligible, seek re-appointment. The Board of Directors recommends their re-appointment.

The appointment of Mr. P. Sarath Chandra Reddy as the Whole-time Director of the Company is being proposed at the ensuing Annual General Meeting. The Board of Directors recommends his appointment.

DETAILS OF DIRECTORS & KEY MANAGERIAL PERSONNEL

The Members of the Company at the 28th Annual General Meeting of the Company held on August 27, 2015 have re-appointed Mr. N. Govindarajan as Managing Director, Mr. K. Nithyananda Reddy as Vice Chairman and Whole-time Director, Dr. M. Sivakumaran as Whole-time Director and Mr. M. Madan Mohan Reddy as Whole-time Director for a period of three years with effect from June 1, 2015. The Members also appointed Dr. (Mrs.) Avnit Bimal Singh as an Independent Director of the Company for a period of five years up to March 24, 2020.

Mr. P. Sarath Chandra Reddy, a Non-Executive Director of the Company was appointed as a Whole-time Director of the Company with effect from June 1, 2016 subject to the approval of the Member at the ensuing Annual General Meeting.

Mr. A. Mohan Rami Reddy, Vice President (Legal) & Company Secretary is retiring from the services of the Company at the close of business hours on May 31, 2016. Mr. B. Adi Reddy has been appointed as Company Secretary of the Company with effect from June 1, 2016.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013 your Directors confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. appropriate accounting policies have been selected and applied consistently. Judgment and estimates which are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of your Company as at the end of the financial year and of the profit of your Company for the year;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding

the assets of your Company and for preventing and detecting fraud and other irregularities;

- d. the annual accounts have been prepared on a going concern basis;
- e. proper internal financial controls have been laid down to be followed by your Company and such internal financial controls are adequate and are operating effectively; and
- f. proper systems to ensure compliance with the provisions of all applicable laws have been devised, and such systems are adequate and are operating effectively.

DECLARATION FROM INDEPENDENT DIRECTORS

The independent directors have submitted the declaration of independence stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

BOARD DIVERSITY

The Company recognizes and embraces the importance of a diverse board in its success. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on the Company's website <http://www.aurobindo.com/about-us/corporate-governance>.

BOARD EVALUATION

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board including performance and working of its committees.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy of the Company on directors'

appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters are adopted as per the provisions of the Companies Act, 2013. The remuneration paid to the Directors is as per the terms laid out in the nomination and remuneration policy of the Company. The nomination and remuneration policy as adopted by the Board is placed on the Company's website <http://www.aurobindo.com/about-us/corporate-governance>.

TRANSFER TO RESERVE

The Company has not transferred any amount to general reserve out of the profits of the year.

LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees or investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 is prepared in 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 and is in **Annexure-2** to this Report.

EXTRACT OF ANNUAL RETURN

As required under Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return prepared in Form MGT-9 is in **Annexure-3** to this Report.

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

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is in **Annexure-4** to this Report.

RISK MANAGEMENT COMMITTEE

Risk Management Committee of the Company consists of three Directors viz. Mr. M. Sitarama Murthy, Mr. N. Govindarajan and Mr. P. Sarath Chandra Reddy. The Company has established a

separate department to monitor the enterprise risk and for its management.

The Committee had formulated a risk management policy for dealing with different kinds of risks which it faces in day-to-day operations of the Company. Risk management policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal financial control systems and procedures to combat the risk. The risk management procedure is reviewed by the Audit Committee and Board of Directors on regular basis at the time of review of quarterly financial results of the Company. A report on the risk and their management is enclosed as a separate section forming part of this report.

AUDITORS & AUDITORS' REPORT

The statutory auditors' report is annexed to this report. The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There are no specifications, reservations, adverse remarks on disclosure by the statutory auditors in their report. They have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

The Members of the Company at the 27th Annual General Meeting had appointed M/s. S.R. Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors of the Company up to the conclusion of 30th Annual General Meeting of the Company subject to ratification of the appointment by the members at every Annual General Meeting. The ratification of the appointment of statutory auditors is proposed at the ensuing Annual General Meeting.

COST AUDIT

M/s. Sagar & Associates, Cost Accountants, were appointed as Cost Auditors of the Company to conduct cost audit of the Company for the year 2014-15. The Cost Audit Report of the Company in XBRL format for 2014-15 was filed with the Ministry of Corporate Affairs within the due date.

INTERNAL AUDITORS

The Board of Directors of the Company has appointed a professional firm of Chartered Accountants to conduct internal audit of the Company for the financial year ended March 31, 2016.

INTERNAL FINANCIAL CONTROLS

The internal financial controls (IFC) framework at Aurobindo encompasses internal controls over financial reporting (ICFR) as well as operational controls that have been put in place across all key business processes of the Company. The internal controls are designed to facilitate and support the achievement of the Company's business objectives and such controls do enable the Company to adapt to changing and operating environment, to mitigate risks to acceptable levels and to support sound decision making and good governance.

Details in respect of adequacy of internal financial controls with reference to the financial statements are briefly iterated below:

- a. The Company maintains all its major records in ERP System (Oracle Financials) and the work flow and approvals are routed accordingly;
- b. The Company has appointed internal auditors to examine the internal controls, and examine whether the workflow of the organization is being done through the approved policies of the Company. In every quarter, during the approval of financial statements, internal auditors present the internal audit report and the management comments on the internal audit observations; and
- c. The Board of Directors of the Company has adopted various SOPs and policies such as related party transactions policy, whistle blower policy, policy to determine material subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for 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.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. S. Chidambaram, Practising Company Secretary (C.P.No:2286) to undertake the Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit Report issued

in form MR-3 is in **Annexure-5** to this Report. There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report.

CORPORATE SOCIAL RESPONSIBILITY

Your Company believes that there must be a healthy partnership between business and the society. Initiatives are therefore taken to execute on the stated CSR policy of 'give back to the society.'

The activities during the year centered on providing educational support, healthcare, sanitation, public safety, poverty alleviation and sports. In educational area, the activities included renovation of school buildings, construction of class rooms, library and toilets, provision of furniture such as desks, payment of salaries at municipal schools, and encouraging school children with bags, note books, scholarship etc.

In healthcare, the Company continued to supply safe drinking water to an entire village, provide pipelines to transport water to overhead tanks, underground storages and installation of RO plants. Drains were constructed and ambulance donated to a village.

Under the category of public safety, Aurobindo also contributed fire engines and paid monthly salaries of fire safety staff. At the request of the police authorities, the Company installed CCTV cameras on national highway covering areas such as Hyderabad, Polepally, Siddipet and Jedcherla.

From August 2015, the Company provides 300 meals every day for the attendants and staff of a government hospital at Sangareddy. A centralized kitchen is also run for the benefit of the public at an Iskcon centre.

A detailed account of the CSR activities forms part of the annual report on CSR placed on the Company's website at: <http://www.aurobindo.com/social-responsibility/csr-activities>. Report on Corporate Social Responsibility as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is in **Annexure-6** to this Report.

STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL

The statement of particulars of appointment and remuneration of managerial personnel as per Rule

5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is in **Annexure-7** to this Report.

INSURANCE

All properties and insurable interests of the Company including buildings, plant and machinery and stocks have been fully insured.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments in the business operations of the Company from the financial year ended March 31, 2016 to the date of signing of the Director's Report. There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

CORPORATE GOVERNANCE

A separate section on Corporate Governance standards followed by your Company, as stipulated under Schedule V (C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as a separate section forming part of this report.

The certificate of the Practicing Company Secretary, Mr. S. Chidambaram with regard to compliance of conditions of corporate governance as stipulated under Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Report on Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this report.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the public within the purview of Chapter V of the Companies Act, 2013.

INDUSTRIAL RELATIONS

Industrial relations at all units of the Company have been harmonious and cordial. The employees are motivated and have shown initiative in improving the Company's performance.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNT TO IEPF

The dividends which remain unpaid/unclaimed for a period of seven years, have been transferred on due dates by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

SHARE CAPITAL

The paid up share capital of the Company increased by ₹293,187,311 during the year due to the allotment of 291,982,275 equity shares of ₹1 each as Bonus and 1,205,036 equity shares of ₹1 each on exercise of stock options under the Employee Stock Option Plan-2006 (ESOP 2006) of the Company. The paid up share capital of the Company as on March 31, 2016 was 585,169,586 equity shares of ₹1 each.

EMPLOYEE STOCK OPTION SCHEME

The Members at the Annual General Meeting of the Company held on September 18, 2006 approved formulation of Employee Stock Option Scheme-2006 (ESOP 2006) for the eligible employees and Directors of the Company and its subsidiaries. Details of the stock options as on March 31, 2016 is provided on the Company's website: <http://www.aurobindo.com/about-us/corporate-governance>. The details of the employee stock options also form part of the notes to accounts of the financial statements in this Annual Report.

ACKNOWLEDGEMENTS

Your Directors are grateful to the employees of Aurobindo for building a strong foundation for the Company and working towards enhancing growth in the future. The Directors want to thank the customers, business associates, banks, central and state governments and their agencies for their trust, encouragement and support. Every day, the investors have shown their faith in Aurobindo. The Board shall always strive to perform to meet their expectations.

For and on behalf of the Board



K. Ragunathan
Chairman
DIN: 00523576

Hyderabad
May 30, 2016



Management Discussion & Analysis

ECONOMIC BACKGROUND

Indian economy has taken impressive strides with reduction in macro-vulnerability due to reforms in key areas, pursuit of fiscal prudence and focus on price stability. The benign price situation and comfortable level of external current account in the country makes it possible for growth rates of 8% or higher in the next couple of years.

The Government has reiterated its commitment to carrying the reform process forward and conditions exists today for such growth aided by the prevailing macro-economic stability.

The GDP growth rate climbed from 7.2% in 2014-15 to 7.6% in 2015-16 and is estimated to be in the range of 7.5% to 8% in 2016-17. Such a growth rate makes India the fastest growing major economy in the world. India's contribution in the global economy has become much more valuable today than anytime ever in the past. The recent growth revival in India is predominantly consumption driven. The growth in services sector however, has moderated slightly. The acceleration in manufacturing growth has compensated for the lower growth in agriculture sector, due to two successive years of lower than normal monsoon rains. With the expected above-normal monsoon in 2016, there is considerable optimism across all sections of the economy.

INDUSTRY PERSPECTIVE

In several respects, pharmaceutical industry never had it so good. Demand for its products is escalating and trade is getting easier with the result, well-organized companies have been growing sustainably. Aging populations, chronic/lifestyle diseases, emerging-market expansion, and treatment and technology advances are expected to spur the global pharmaceutical industry.

For instance, an aging population in many developed countries, coupled with lengthening life expectancies globally, should generate increasing demand for life sciences products to treat age related diseases such as Alzheimer's, diabetes, and arthritis. According to Economist Intelligence Unit (EIU), life expectancy is expected to increase from an estimated 72.7 years in 2013 to 73.7 years by 2018 (due, in part, to dropping infant mortality rates and the fight against communicable diseases). Another study estimates that the number of people globally over the age 65 is around 601 million, or over 8.5% of the total global population. This segment will continue to grow.

At the same time, efforts by governments, health care providers, and health plans to reduce costs, improve outcomes and demonstrate value is dramatically altering the health care demand and delivery landscape. It is becoming increasingly evident that the global pharmaceutical industry sector is operating in an era of significant transformation.

A dynamically changing clinical, regulatory, and business landscape demands that pharmaceutical, biotechnology, and medical technology companies adapt traditional research and development (R&D), pricing, supply chain and commercial models to support value-based payments for public and private health care systems, contain costs to face price controls and increase the use of generics and bio-similars to contain drug and device costs. In addition, a growing list of regulatory requirements and expectations are imposing new challenges on the industry.

According to the EIU, pharmaceutical sales are projected to increase an average of 6.9% annually over 2014-18, outpacing the estimated global

health care spending rate of 5.2% during that same period. Total pharma revenues are expected to increase from USD 1.23 trillion in 2014 to USD 1.61 trillion in 2018.

North America is responsible for the largest portion, generating more than 41% of these revenues. This is mostly due to the leading role of the U.S. pharmaceutical industry.

In 2015, total spending on medicines in the U.S. reached USD 310 billion on an estimated net price basis, up 8.5% from the previous year, according to a report issued by the IMS Institute for Healthcare Informatics. The surge of new medicines remained strong in 2015 and demand for recently launched brands maintained historically high levels. The savings from branded medicines facing generic competition were relatively low in 2015, and the impact of price increases on brands was limited due to higher rebates and price concessions from manufacturers. Specialty drug spending reached USD 121 billion on a net price basis, up more than 15% from 2014.

The IMS study, Medicines Use and Spending in the U.S.: A Review of 2015 and Outlook to 2020, found that longer-term trends continued to play out last year, driven by the Affordable Care Act and ongoing response to rising overall healthcare costs. Increasingly, healthcare is being delivered by different types of healthcare professionals and from different facilities, while patients face higher out-of-pocket costs and access barriers. The outlook for the global pharmaceutical market is expected to reach USD 1.4 trillion and 4.5 trillion doses of medicine in 2020 from USD 1.07 trillion and 3.6 trillion doses in 2015 and the generic market is expected to be at USD 190 billion in 2020. The growth is being driven by clusters of innovative treatments and offset by

the rising impact of brands facing generic or bio-similar competition.

Overall, the 10 largest drug companies control over one-third of this market, several with sales of more than USD 10 billion a year and profit margins of about 30%. Six are based in the United States and four in Europe. It is estimated that North and South America, Europe and Japan will continue to account for 85% of the global pharmaceuticals market well into the 21st century. Of these collectively, the mature markets generate 59% of the total revenues.

According to the current trend, in addition to oncology drugs, the cardiovascular therapeutic class will likely prosper, with four of the 10 projected blockbuster drugs belonging to these categories. Spending on mid-market prescription drugs used for treating common chronic diseases is likely to stagnate as prices fall. Demand for generic drugs will continue to rise as payers take advantage of patent expiries to reduce costs.

A generic drug (commonly referred as generics) is a drug defined as 'a drug product that is comparable to a brand/reference listed drug product in dosage form, strength, quality and performance characteristics and intended use.' Generic drugs are subject to the regulations of the governments of countries where they are dispensed.

A generic drug must contain the same active ingredients as the original formulation. According to the US FDA, generic drugs are identical or within an acceptable bioequivalent range to the brand-name counterpart with respect to pharmacokinetic and pharmacodynamic properties. By extension, therefore, generics are considered (by the FDA) identical in dose, strength, route of administration, safety, efficacy, and intended use. In most cases, generic products are available once the patent protections afforded to the original developer have expired.

Traditionally, pharmaceutical companies develop new branded drugs by investing huge amounts of money (often more than USD 1 billion) into research and development over 10-15 years. This is the amount of time and money required to not only develop a number of potential new drugs, but go through the long, expensive and arduous approval process required by the US Food and

Drug Administration (FDA) to prove a drug is safe and effective, and then market the drug to consumers. Since this model is expensive and time consuming, the FDA typically gives drug companies 12 years of patent protection and a total monopoly on sales during that period. This allows the drug companies to recoup their costs, earn a profit, and start the process anew for the next wave of new and innovative drugs.

In contrast, generic drug companies operate very differently. The amount of money they need to invest to produce a generic is many orders of magnitude less than the traditional branded drug companies, since the drug has already been formulated and approved. In order to protect the traditional branded drug companies and allow them to earn back the amount of money invested, generic drugs can only be introduced after the 12 years of patent protection has expired. And even then, FDA-approved copies of branded drugs are only given a short 180-day exclusivity period if their generic is the first to market. Once generic drugs are introduced to the market, they are typically sold at steep discounts (50%-70%) compared to the branded alternative and, as a result, branded drugs typically lose 90% or more of their market share to generics in a short amount of time.

Today in the US, generic drugs account for 88% of all prescriptions filled and according to an IMS report, generics may account for 91%-92% of prescription volumes by 2020. According to a report by IMS Health, generic drugs are expected to account for 52% of global pharmaceutical spending growth, compared to 35% for branded drugs. As per IMS report of Q2 2015, the U.S. healthcare system saved USD 1.7 trillion in the last ten years due to the availability of low cost generics.

According to estimates by IMS, generics will constitute 52% of global pharmaceutical expenditure growth. Branded drugs will constitute only 35% of growth. IMS also estimates that generic drug revenues will climb to USD 442 billion in 2018. Major factors driving the growth include popular branded drugs losing their patent protection (known as a 'patent cliff'), support for generics from governments, new complex generics coming into the market, and industry consolidation.

Over the last one year US FDA approval activity has picked up significantly. As per several research reports, at the current approval rate, annualized approvals are likely to be 700 versus historical approvals in the 400-500 range. The higher approval rates are likely to benefit the large pharmaceuticals companies that have strong US pipeline.

The US nutraceuticals market is currently at around USD 38 billion and is expected to grow to USD 46 billion by 2018 as per 2015 Nutrition Business Journal. The growth drivers for the US nutraceutical market is ageing population, increased consumer focus on proactive health management, increase/perceived increase in condition-specific disorders, growing consumer interest in drug-free/natural health solutions that are proven effective. Key macro segments in the US nutraceutical category is vitamins, specialty supplements, herbs & botanicals, sports nutrition, meal replacements and minerals.

In the European markets, as per IMS, the top 5 countries are expected to spend USD 180-190 billion on medicines in 2020, an increase of USD 40 billion, which includes USD 19.4 billion of exchange rate effects and is mostly driven by Germany and the wider adoption of specialty medicines. Germany will increase spending from USD 41 billion to USD 57 billion, an increase of USD 16 billion (including USD 7.9 billion of exchange rate effects) largely a result of wider adoption of innovation and supported by health technology assessments, including re-assessments of already marketed products. France is the second largest market in Europe with lower generics penetration. Across Europe, the adoption of specialty medicines will drive higher spending growth to 2020 with 81% of the increase to be driven by specialty medicines.

Seen from India perspective, the country has over 10,500 manufacturing units and over 3,000 pharma companies and exports all forms of pharmaceuticals from active pharmaceutical ingredients (APIs) to formulations, both in modern medicine and traditional Indian medicines. Globally, India ranks among the top exporters of formulations by volume. The Indian pharmaceuticals market is third largest in terms of volume and thirteen largest in terms of value, as per a pharmaceuticals sector analysis report.

The Indian pharma industry stands diversified into various spheres of activities including research and development (R&D), manufacturing of branded, generic and branded generic drugs, manufacturing APIs, laboratory testing and clinical research.

Indian pharmaceutical manufacturing facilities registered with US Food and Drug Administration (FDA) as on March 2014 was the highest at 523 for any country outside the US. In a study of the top 20 countries that have filed Drug Master Files, India stands first with 3,264 DMFs that are currently active with a contribution of about 36% of the total of 9,080 active DMF filed as at 2013. The trend continued through 2014 and 2015.

Indian pharma exports have consistently improved over the years. India exports over USD 15 billion worth of medicines, of which more than 55% were to regulated markets. The US with 28% is the India's largest pharma export destination followed by the European Union. These figures indicate that Indian medicines have established themselves as affordable and reliable, across the world.

India's exports of generics have been growing at a rate of nearly 22% annually over the past four years. It is estimated that around 40% of the generic drugs in the US come from India and with Obamacare being introduced this figure is set to rise further. In 2015, the healthy growth momentum continued.

The drugs and pharmaceuticals sector attracted cumulative foreign direct investment (FDI) inflows worth USD 12,813.02 million between April 2000 and December 2014, according to data released by the Department of Industrial Policy and Promotion (DIPP).

The Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India under the 'Make in India' program declared the year 2015 as Year of Active Pharmaceutical Ingredients. Under the 'Make in India' initiative, it is expected that the government will introduce several industry-friendly policies and incentives to give a major thrust to the growth of Indian bulk actives industry to make it a formidable force globally.

Several states are encouraging this industry. For instance, the State of Telangana has proposed to

set up India's largest integrated pharmaceutical city spread over 11,000 acres near Hyderabad, complete with effluent treatment plants and a township for employees, in a bid to attract investment of ₹300 billion (USD 4.5 billion) in phases.

Pharmaceutical exports from India clocked a CAGR of 10.3% to USD 15.5 billion during 2014-15 from USD 10.4 billion during 2010-11 with the US being the largest importer of Indian products. It is estimated that Hyderabad, which is known as the bulk drug capital of India, accounts for nearly a fifth of India's exports of drugs.

Going ahead, as asserted in the 'Pharma Vision 2020', the Government of India aims to make India a global leader in end-to-end drug manufacturing epicenter, leveraging on the fact that cost of production in India is approximately 35% to 40% lower than in the developed countries. The enormous opportunity can be best illustrated from the projected human resource requirement of the Indian pharma sector, estimated to be about 2.15 million by 2020.

Overall, India's pharmaceuticals industry is likely to grow at an average annual pace of at least 14%, aided by a rapidly growing domestic market and emerging export opportunities as patents of at least a dozen blockbuster drugs in the US expire in the next three years, according to a September 2014 report by CARE Ratings.

There are however estimates which suggest more aggressive growth. As per India Ratings, a Fitch Group company, the industry is estimated to grow at 20% compounded annual growth rate (CAGR) over the next five years.

COMPANY PERSPECTIVE

Normally, generic pharmaceutical companies have challenges that need to be addressed. The successful companies drive their growth by improving their fundamentals in critical areas such as:

- Backward integration into active pharmaceutical ingredients;
- Manufacture at their state-of-the-art facilities;
- Aggressive portfolio build up in niche, specialty, and differentiated products;

- Investment in compliance and regulatory standards to provide for patient-safety;
- Rapid geographic expansion into both developed and emerging markets.

Anecdotally, generic companies have had to overcome their challenges by achieving economies of scale, diversifying their product portfolios, becoming vertically integrated across the manufacturing process, and expanding their geographic presence, both into developed and emerging markets.

Early access to high-quality active pharmaceutical ingredients that are not infringing patents is critical to success in regulated finished-dose markets as a significant part of generics' profits is made during the early days of their availability.

These are precisely the strengths of Aurobindo. The Company is one of the largest vertically integrated pharmaceutical companies in India. In addition to being the market leader in semi-synthetic penicillins, the Company has a presence in key therapeutic segments such as neurosciences, cardiovasculars, gastroenterologicals, antibiotics, anti-retrovirals, anti-diabetics, anti-allergies, among others.

Strengthened by manufacturing facilities approved by US FDA, UK MHRA, MCC-SA, ANVISA-Brazil for both APIs & formulations and with a global presence with own infrastructure, strategic alliances with almost 50 subsidiaries & joint ventures, Aurobindo features among the top 5 companies from India in terms of consolidated revenues. The Company exports to over 150 countries across the globe with more than 87% of its revenues derived out of international operations. The customers include premium multi-national companies.

After creating a name for itself in the manufacture of bulk actives and ensuring a firm foundation of cost effective production capabilities together with a clutch of loyal customers, the Company has entered the high-margin specialty generic formulations segment, with a global marketing network. The business is systematically organized with an identified accountability structure and a focused team for each key international market. Aurobindo's business strategy includes gaining volumes and

market shares in every business/segment it enters.

In less than a decade, Aurobindo has evolved into a knowledge driven company manufacturing active pharmaceutical ingredients and formulation products. It is R&D focused and has a multi-product portfolio with several manufacturing facilities.

Leveraging on its large state-of-the-art manufacturing infrastructure for APIs and formulations, wide and diversified basket of products and confidence of its customers, the Company aims to sustain its momentum of growth. Aurobindo's strategic competitive advantage includes eleven units ensuring captive source of APIs/intermediates and seven units manufacturing formulations, designed to meet the requirements of both advanced as well as emerging market opportunities. These 18 units in India are in addition to four units overseas.

Aurobindo makes use of in-house R&D for filing of patents, Drug Master Files (DMFs), Abbreviated New Drug Applications (ANDAs) and formulation dossiers across the world. The Company is among the largest filers of DMFs and ANDAs globally.

Aurobindo's R&D strengths, across various molecules including oral and injectables, lie in developing intellectual property in non-infringing processes and resolving complex chemistry challenges. As a result, Aurobindo develops new drug delivery systems, dosage formulations and applies new technology for improved processes.

The medium term strategy of the Company is to continuously globalize and enhance value to shareholders and customers. In global markets, the Company continues to retain and enhance cost-efficient quality leadership in its chosen segments, such as newer anti-infectives and lifestyle disease drugs. It is the endeavor of the Company to achieve this by resolving complex chemistry challenges, improving process efficiencies, adopting global scale manufacturing and using cost-effective market networks throughout its addressable markets. Aurobindo aims to repeat its success year after year and emerge as a major player in the developed markets.

The long-term growth strategies being put into action include:

- Developing a broad portfolio of DMFs/ANDAs through non-infringing processes and with backward integration across the basket;
- Becoming a significant player in the generics market, especially in the regulated markets with differentiated products;
- Managing cost efficiency in a mega-manufacturing environment approved by US FDA/European regulatory authorities; and in the process, enhance the attractiveness of Aurobindo to alliance partners;
- Resolving complex chemical challenges and offering advanced drugs to the global markets;
- Increasing penetration in controlled substances;
- Globalizing and further penetrating the markets through joint ventures/subsidiaries/organic means into Japan, Brazil and other Latin American countries as well as into Europe; and,
- Emerging as a leading player in global high-quality innovative specialty generic formulations.

In the competitive US market, the focus is on building customer relationships, expanding volume and market share on new and existing products. Marketing efforts have already started showing results. Aurobindo had been ranked #7 generics supplier as per IMS total prescriptions dispensed for the 12-months ending March 2016.

In 2014, the Company had acquired certain products from Actavis in Western Europe to strengthen its formulations presence in those premium markets. Aurobindo is now gaining traction in several west European countries supported by a robust infrastructure already in place. The acquired business turned profitable during the year on the back of increased focus, product pruning and cost efficiencies.

Aurobindo, with a large portfolio of anti-retroviral products for HIV/AIDS relief, is in the top five preferred global suppliers to reputed global funding agencies such as PEPFAR, USAID, UNITAID, Global Fund, World Bank and Clinton Health Access Initiative.

The evolving focus of the Company is on complex molecules, differentiated technology platforms and specialty products. The corporate plans are to ensure growth through organic means and adopting strategic joint ventures and alliances. The objective is to maximize the revenues and margins while risks are minimized.

Aurobindo has tie-ups with a few customers, giving them a competitive edge through faster product development and optimized costs. The strategy is based on co-working and collaborative alliances and the Company has successfully established strategic partnerships with global pharmaceutical majors.

Aurobindo has made significant foray into nutraceuticals, especially with the acquisition of Natrol in California, US, which is amongst the top 20 branded nutraceutical companies in the US with more than 25 years old, well established brands. This entity brings enormous growth potential with its portfolio of dietary supplements, sports nutrition, functional foods, vitamins, minerals and weight loss products, diverse customer base of long-term relationships with key distribution and retail partners and strong customer partnerships across multiple distribution channels. Since the US, the world's largest nutraceuticals market is expected to grow, there is considerable headroom for Aurobindo to grow its nutraceuticals product market.

The forward plans include entering newer technologies such as peptides, vaccines, biocatalysts, as well as newer product lines such as oncology, hormones, steroids, inhalers, patches and films.

STRENGTHS

A few strengths of the Company are as follows:

- Amongst the deepest portfolio of ANDAs in global generic companies with a diverse product basket of 3,100+ formulation filings & about 2,700 API filings worldwide including multiple registrations;
- Complete portfolio of products in SSPs, cephalosporin, ARV, Anti-infectives and other non-betalactams, sterile and non-sterile antibiotics;

- API integration for almost 75% of its products - a key differentiator in the fiercely competitive global generic markets;
- One of the leading vertically integrated pharma companies in India;
- Uncompromised investment in quality systems & processes, with every employee sensitized to the need to comply with regulatory and customer requirements;
- Strict confidentiality and utmost secrecy are maintained through absolute adherence to the non-disclosure clause;
- Efficient supply chain management and optimal utilization of capacities, are ensured enabling Aurobindo to pass on substantial cost benefits to its customers;
- Sticking to set deadlines. For instance, the Company commercialized an API involving a 14-step process with five chiral centers in just 13 weeks;
- A huge library with syndicated databases is available and the latest software ensures quick and efficient literature/patent survey and retrieval of information;
- Multi-disciplinary project teams interface with the customers' right from the start to ensure a seamless integrated approach. Their responsiveness enables rapid execution of projects;
- Besides conforming to cGMP and cGLP due attention is given to safety, health and environment aspects;
- The Company has harnessed the latest in communication technology - a dedicated server for on-line data processing, video conferencing, tele-conferencing, etc. to ensure constant communication throughout the life of the project;
- A right mix of instrumentation and production expertise with due emphasis on profiling, characterization of compounds and reduction in impurities, chiral resolution and impurity profiling ensure the highest quality of deliverables and yield optimization;
- The manufacturing infrastructure, the knowledge base at the research centers and the ability to deal successfully with its process chemistry strengths are the forte of Aurobindo.

All the strengths have been tested from the perspective plan to manufacturing plant and later in the market place. There is a powerful marketing infrastructure backed up by state-of-the-art manufacturing systems that are driving the business.

THREATS AND CHALLENGES

The pharmaceutical industry is highly competitive and the challenges are from both the Indian manufacturers who have similar production facilities as well as those abroad. Human resources with similar skills, talents and experiences in the industry are mobile between competing companies.

Price pressures in US markets are expected to stay. Going forward, there is a risk of inability to maintain current margins on its products. Price sensitivities get tested in a crowded market where price tends to sag while volume business gets done.

Competing pharmaceutical companies have several similar bio-equivalent products in the same market manufactured at facilities that have been approved by the highest regulatory authorities. All of them stay focused on the same markets resulting in price elasticity being tested and margins eroding.

Yet, it must be appreciated that Indian manufacturers in general, and Aurobindo in particular, have made an impact on the global stage and have worked hard to get shelf space. This threat does not affect Aurobindo, because of its control over raw material sourcing. The Company is a dominant player in the active ingredients business and has been able to control its quality, improve on timelines, be competitive on its costs and has the ability to deliver at short notice. This is a unique advantage that Aurobindo enjoys over manufacturers across the world.

The Company has been timing its launches to take advantage of products going off-patent and the opportunities available in a first-mover market. This strategy is built around the in-house R&D capabilities, technology strength in manufacturing facilities and the marketing infrastructure. Aurobindo has worked on its speed-to-market abilities and is quick to convert product approvals into invoices.

The scientists and professionals of Aurobindo have been trained to create opportunities, replicate the successes and drive business growth. The Company has unmatched strengths such as experienced staff with ability to anticipate market needs, plan for product launches with supportive documentation, create products that meet regulatory norms and execute plans within tight cost and time budgets, to cope with the challenges of the market.

INTERNAL FINANCIAL CONTROLS

The internal financial controls (IFC) framework at Aurobindo encompasses internal controls over financial reporting (ICFR) as well as operational controls that have been put in place across all key business processes of the Company. The internal controls are designed to facilitate and support the achievement of the Company's business objectives and such controls do enable the Company to adapt to changing and operating environment, to mitigate risks to acceptable levels and to support sound decision making and good governance.

Details in respect of adequacy of internal financial controls with reference to the financial statements are briefly iterated below:

- The Company maintains all its major records in ERP System (Oracle Financials) and the work flow and approvals are routed accordingly;
- The Company has appointed internal auditors to examine the internal controls, whether the workflow of the organization is being done through the approved policies of the Company. In every quarter, during the approval of financial statements, internal auditors present the internal audit report and the management comments on the internal audit observations; and
- The Board of Directors of the Company has adopted various SOPs and policies such as related party transactions policy, whistle blower policy, policy to determine material subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for 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.

HUMAN RESOURCES

Aurobindo is a professionally managed company with highly competent and committed industry professionals forming a tight-knit team of dedicated colleagues. The corporate promise, 'Committed to healthier life' reiterates that the team is focused on performing and delivering on patient-safety.

The knowledge, expertise and skills of the Aurobindo team form a strong foundation of the Company's progress, and hence considerable strategic emphasis is laid at people development and leadership. The overall target is to enhance business growth by enabling engagement and performance. This is achieved by having the right people supported by participative leadership working together towards organizational goals. APL Corporate Values forms the foundation for this development.

Aurobindo Pharma has a team of over 15,000 professionals from 30 countries working at its various divisions - API manufacturing, formulation manufacturing, chemical R&D, formulation R&D and overseas operations. About 80% of these employees are graduates, post graduates and PhDs.

As part of its investment in learning and development, the Company has recrafted its human resource philosophy. In brief, they are iterated below:

- Attract, build and retain right talent at all levels;
- Create and nurture a performance culture through continuous capability building, performance measurement and leveraging of IT;
- Foster leadership at all levels through trust, empowerment and openness;
- Strengthen collaborative approach for business excellence; and,
- Promote a vibrant work culture based on innovation and to incentivize people based on productivity/outstanding performance.

The emphasis has been on the five critical dimensions of people management:

- Establishment of vibrant organizational culture;

- Talent attraction and retention;
- Continuous capability building;
- Recognition of outstanding performance of the team/individuals; and,
- Staff welfare.

Another initiative is 'Quality Mission' which aims to create and augment the quality culture across the organization to assess our staff and executives in quality standards compliance and their commitment to quality. Quality Mission program is executed through Quality Marshals. Quality Marshals are identified through a very structured process of certification who in turn cascade the learning to the shop floor level to impact the quality and compliance levels.

Industrial relations continue to be cordial and harmonious. The management has initiated various measures such as formation of bipartite forums and joint management councils to promptly redress staff grievances and to improve welfare amenities in the plants.

The Company cares for its employee and contractor safety as well as environment protection. In its approach to business, Aurobindo integrates a robust and sustainable safety system that aims for zero incidents. The objective is to guarantee a high degree of safety in the workplace.

Aurobindo works in harmony with environmental and social responsibilities. Continuous efforts are made to optimize use of resources, minimize waste, reuse and recycle materials and reduce the eco-footprint, to create more value with less environmental impact.

CORPORATE SOCIAL RESPONSIBILITY

Aurobindo's CSR charter covers the following areas of activities:

- Education
- Health
- Sanitation
- Road and Public Safety
- Rural sports, environmental sustainability, rural development and animal welfare

As part of societal commitment, Aurobindo provides support to the neighborhood with

educational aids for school children, construction of toilets and provision of safe drinking water. The focus is to promote education, encourage good health, provide drinking water and support sanitation.

OUTLOOK

The Company is well-equipped to build further on the success despite a challenging competitive environment. There is a robust business model, diversified product basket, a strong customer base, business relationships built over a long time and a global presence in key markets. The backbone of the Company is the interplay between a very large basket of products and several regulatory compliant mega manufacturing capacities. Aurobindo puts considerable emphasis on product and process quality and hence relies on best management practices with specific focus on compliance standards. Aurobindo will be synonymous with patient focus, in-depth expertise on quality and reliability on all it does.

In addition to the existing large basket of products in its portfolio, Aurobindo is working on new businesses viz. oncology, hormones, steroids, enzymes and peptides as well as differentiated technology initiatives viz. depot injections, dermatology, inhalers, nasal, patches and films to sustain growth.

A sharper strategic focus and inherent execution capabilities will keep Aurobindo firmly on a sustainable and profitable growth path. The team has built an excellent platform to make the Company a significant player in all the therapeutic areas, product ranges and markets it has entered.

By combing a variety of internal process improvements, value enhancing marketing efforts and improved product mix with a greater focus on high value specialty molecules, the team is confident of delivering encouraging performance results.

Marketing efforts are focused on ramping up revenues across all the geographies. The Company will build on its customer touch points and relationships to reach higher volume of niche and differentiated products.

As in the earlier years, there have been several new launches in 2015-16 and it is expected that there will be a further thrust to improve the

presence in both US and Europe. The market share of the injectable side of the business in US is expected to grow with increased supplies from both US and India. In Europe, the focus is on getting better cost efficiencies to improve the margins. API volumes are being further increased to cater to the opportunities for in-house formulations. External volume sales of API will address the needs of high value products. Overall, the emphasis will be both on the revenues as well as the bottom line.

Manufacturing costs will continue to remain a focus area. Aurobindo has a good foundation of reliable sourcing and cost effective manufacturing systems and is exploring further ways of reducing costs and strengthening competitiveness.

The Company has an enviable product basket with a large portfolio of regulatory approvals. Capacity utilization is improving at all production units

and with a view to launch large number of products as well as step up on existing product volumes, new manufacturing facilities are under construction. The Company will capitalize on its inherent strengths, some of which are iterated below:

- Cost effective vertically integrated manufacturing systems;
- Current Good Manufacturing Practices (cGMP) and regulatory compliant facilities producing high-quality APIs and finished dosage formulations;
- Best-in class, best-in cost large manufacturing capacity;
- High visibility in API and generics;
- Strong financial position with ability to scale up;

- Highly skilled professionals with regulatory expertise and competence to deliver on development, product processes and regulatory standards;
- Access to new technologies.

Aurobindo has set a vision to build businesses that impact their respective addressable markets, are respected for customer centric products and services, meet industry benchmarks in productivity of resources, are recognized for quality and compliance standards and in the ultimate analysis, create societal wealth for all stakeholders.

In financial terms, the objective is to strive for higher predictable and calibrated growth, and improve EBITDA margin and Return on Investment. The target is to stay cash flow positive, lower the leverage, reduce interest outgo and expand earnings year-on-year.





Management of Risks

OVERVIEW

Enterprise Risk Management (ERM) Process at Aurobindo encompasses practices relating to identification, assessment, evaluation, mitigation and monitoring of strategic, operational, compliance, financial and IT risks for achieving business objectives. Aurobindo's ERM practices are based on COSO-ERM framework.

The ERM is designed to minimize an adverse impact of these risks and it enables the Company to leverage market opportunities effectively and enhances its competitive advantage and sustainability on a medium and long-term and creates value for its stakeholders. The focus of risk management is to assess risks regularly and take mitigation measures; which is done through periodic review meetings of risk management committee of the Board.

Aurobindo has aligned risk management process with every part of the critical business processes to ensure that the processes are designed & operated effectively towards the achievement of business objectives. Risks are identified & assessed across all key business functions in a holistic manner rather than in silos.

RISK CATEGORIES

The following broad categories of risks to the business objectives have been considered in the risk management framework:

- **Strategic risks:** Risks emerging out of the choices Aurobindo makes on markets, product & process development, resources, business growth & revenue model, acquisitions, investment model, business sustainability which can impact the Company's competitive advantage in medium and long term.
- **Operational risks:** Inherent risks to business operations such as production

capacities, quality assurance, customer demands, material availability, human safety and skilled manpower. Operational risks are assessed primarily in terms of process design and its effectiveness.

- **Compliance risks:** Risks arising due to adverse developments in regulatory environment and statutory provisions that potentially impact the Company's business objectives and may lead to loss of business.
- **Financial & reporting risks:** Identifying risks in business unit plans to achieve their financial performance targets of revenue and profit goals and also the Company as a whole. These risks could have potential impact on the Company's financial statements and transmission of timely and accurate financial information to stakeholders.
- **Information technology (IT) risks:** These risks could have potential impact on information assets and processing systems.

RISK GOVERNANCE STRUCTURE

The risk management framework operates at various levels across the Company. The key roles and responsibilities for risk management process are as given below:

- **Board:** Ultimately responsible for ensuring that appropriate risk management system is in place;
- **Audit Committee:** Responsible for evaluation of risk management system;
- **Risk Management Committee (RMC):** Assist the Audit Committee in fulfilling its oversight responsibilities with respect to risk management. The RMC reviews risk management practices and actions implemented by risk owners regarding risk mitigation and monitoring;

- **Risk Officer (RO):** Facilitates and coordinates the execution of risk management practices with respect to risk identification, impact assessment mitigation and monitoring. The RO submits periodic risk reports to RMC for its review and closely interacts with risk owners and internal audit teams for risk identification, mitigation and monitoring;
- **Functional & Unit Heads:** Assume the role of risk owners entrusted with the responsibility for identification and monitoring of risks which are discussed and deliberated at various review meetings and actions are drawn for effective business performance.

RISK IDENTIFICATION & ASSESSMENT PROCEDURE

The risk assessment at Aurobindo is aimed at evaluating and prioritizing risks so that risk levels are managed within defined tolerance thresholds and also to maximize response and recovery efforts. The risk assessment is done in the following manner.

- Assessing impact of risks to business;
- Assessing probability of risks occurring;
- Determining risk rating based on probability and impact of risk by using a scale of 1 to 5, with 1 being the lowest probability/severity and 5 the highest. The higher the multiple of these two quotients, the higher the ranking of the risk;
- Considering the effectiveness of existing controls that address the risk and evaluating which risks need treatment and the priority. Internal audits and periodic assessment of various business processes also help in risk identification of both operational and enterprise wide risks.

Aurobindo adopts bottom-up approach for the identification of potential risks for each function and the techniques are structured interviews, face-to-face meetings, brain storming sessions, risk questionnaires etc. Risk registers are updated with existing and emerging risks.

Risk analysis and evaluation is carried out using scenario-based assessments to determine the potential impact and likelihood of risk occurrence. Identified risks along with impact are compared with established thresholds to determine the priority and method of risk mitigation.

RISK MITIGATION & MONITORING PROCEDURE

The Company adopts a meaningful risk mitigation strategies tailored to each identified risk. Risk mitigation procedures involve undertaking the appropriate actions by the business heads/ process owners who are accountable to mitigate risks in a time bound manner.

The Company identifies & evaluates several risk factors and draws out appropriate mitigation actions which are time-bound. Risk owners are identified and progress of mitigation actions are monitored and reviewed periodically. The risk management committee does periodically review scope adequacy and effectiveness of mitigation actions and provide necessary direction to mitigation teams.

RISK REPORTING AND DISCLOSURE PROCEDURE

Risk dashboards are submitted to risk management committee on a periodic basis. The risk dashboards help in tracking each identified risk and its impact to business. The assessment of top risks, analysis of exposure and potential impact are carried out periodically, presented and discussed with risk management committee. Risks relating to capital project execution reported and discussed at appropriate level within the Company. Periodic updates are provided to the Board highlighting key risks, their impact and mitigation measures.

INTERNAL FINANCIAL CONTROLS (IFC) HIGHLIGHTS FOR THE YEAR

For the financial year 2015-16, the Company has developed and implemented a robust internal financial controls framework which encompasses the following:

- Identification of significant accounts and related processes;

- Process walkthroughs for scoped-in processes;
- Identification of key risks affecting the process;
- Evaluation of controls at sub-process level;
- Mitigation of any controls gaps; and
- Documenting controls in 'Risk Control Matrix' (RCM).

The design & operating effectiveness of scoped-in business processes and related controls were assessed, tested and documented in 'Risk Control matrix'. The controls testing was carried out by an independent outside internal auditors in respect of entity level controls, manual controls, IT application controls, IT dependent controls for its operating effectiveness.

BUSINESS RISKS AT AUROBINDO

Some of the key existing and emerging risks affecting Aurobindo's business are listed below:

Economic & geopolitical risks

Economic and political instability resulting from changes in foreign policies & political leadership in countries such as USA, Europe and emerging markets (EM), where Aurobindo has business presence could adversely affect the Company's operations and revenues.

Aurobindo has its business operations predominately in USA, Europe and the emerging markets with a balanced product basket that contains several therapeutic segments. The revenue breakup of the Company for financial year 2015-16 is as given below:

- International sales constitute about 87% of the Company's total revenue with the rest 13% being domestic sales;
- Formulations business contributes 79.5% to the Company's total revenue and the rest 20.5% comes from active pharmaceutical ingredients;
- About 55% of the formulations sales come from the US, another 28% from Europe and the balance 17% is from anti-retroviral business segment and emerging markets.

Continuous efforts are being made to strengthen business presence in other potential markets such as Japan, Brazil, South Africa, Canada, Australia, North and West Africa and Middle East. Initiatives are being taken to strengthen the presence in Western Europe, while newer markets are being added in countries such as Poland and Czech

Republic. Such well-designed moves would also help consolidate Aurobindo's volumes and revenues over the long-term, thereby spreading the risk portfolio.

As a de-risking strategy, the Company is focusing on territory expansions, partnerships, globalization & further penetration through joint ventures and subsidiaries in potential markets. The Company is developing a broad portfolio of products through non-infringing processes to become a significant player in the generics arena.

Competition risks

Aurobindo's products face intense competition from other pharmaceutical companies in India and abroad where multiple players are present, and introduction of new products by competitors may impair the Company's competitive advantage and lead to erosion of revenues.

Aurobindo with its unique capabilities has been able to face competition from its peers. The competition risks would not significantly impact the Company's business owing to its integrated manufacturing process and operational efficiencies all of which are designed to launch new products in the market on time and at competitive prices.

For most of its generic formulations, the Company has captive manufacture of around 75% of active ingredients to ensure timely material availability and effective cost control to focus on improving profit margins. New products continue to get launched by experienced and talented R&D teams which work to deliver on the marketing strategy by developing new processes/products to meet customer needs and build market share.

Instability in any one economy will not have a major influence on the Company. Overall, the healthcare industry is not price elastic and is hence, reasonably insulated from recession.

Regulatory, statutory & legal compliance risks

The pharmaceutical industry is constantly being challenged by critical compliance risks viz. to comply with rigorous regulatory & legal requirements and compliance is evolving from an isolated departmental initiative to an enterprise level risk management challenge. This could render Aurobindo's technology and products non-competitive or restrict the Company's ability to introduce new products thereby adversely impacting business.

Aurobindo has a talent pool of over 1,100 scientists, who have adequate experience in handling complex chemistry and filing applications with the regulatory authorities, all of whom have helped Aurobindo receive a total of 251 ANDA approvals (215 final approvals including 10 for Aurolife Pharma LLC, and 36 tentative approvals) from US FDA as at March 31, 2016. Cumulative filings total 398 ANDAs.

Similarly, as on March 31, 2016, the team has filed over 2,700 DMFs including 202 with US FDA. So far, 158 patent applications are pending with various authorities and 18 have been granted patents.

Aurobindo is committed to supplying highest quality medicines to customers for promoting healthier lives. Hence, the Company always strives to conform to regulatory and compliance standards to meet stringent requirements of customers to ensure the medicines provide health care and wellness for the consumers. Robust quality systems and control measures have been implemented to ensure that the quality is ensured by process design.

During the financial year 2015-16, the Company has taken an initiative to devise and implement a 'Statutory & Legal Compliance' framework (compliance solution - vision 360) for ensuring compliance with all applicable laws and that system is adequate and operating effectively. The compliance system is designed to meet the compliance monitoring goal of the Company. The framework is expected to roll out within the defined timeframe.

Every effort is being made to ensure that there is no compromise on quality of products and processes. Continuous monitoring is being done by QC/QA team to deliver highest quality products.

Aurobindo's commitment to Employee Health and Safety: The Company's Board and Executive management have a strong commitment towards creating and providing a safe working environment for all its employees and other stakeholders. Aurobindo has a full-fledged EHS (Environmental, Health, and Safety) team which is continuously addressing the issues of environmental safeguards by conducting periodical safety audits and training programs.

Pricing risks

Some of Aurobindo's products are subject to price controls or other pressures on pricing. The price controls limit the financial benefits of growth in the life sciences market and the introduction of new products.

Due to perfect competition in generic drug industry, prices are a function of supply and demand. Prices change in response to supplies and competitive pressures. Domestic pricing is also influenced by global trends in both availability and price of imported active ingredients.

Aurobindo is able to cope with pricing pressures and focus on quality assurance to minimize the possibilities of commoditization. Also, Aurobindo has a well-diversified product basket in US which helps in mitigating the pricing pressure. The in-house R&D is striving to develop cost effective products by redefining the production process/facility. Also, the Company focuses on quality assurance through improved throughput and is moving up the value chain by offering differentiated and special products and technology platforms.

Patent protection risks

Aurobindo's success depends on the Company's ability to obtain patents, protect trade secrets and other proprietary information and operate without infringing on the intellectual property rights of other pharmaceutical companies. Aurobindo's inability to obtain timely ANDA approval, thus missing out on early launch opportunities and litigation outcomes could affect product launch date.

Aurobindo has a dedicated team of scientists whose primary task is to ensure that the products are manufactured using only non-infringing processes and related compliances by reviewing and monitoring IPR issues continuously.

Also, the IPR team evaluates and provides stage-wise IP clearances during product/process developmental activities and also provides frequent updates and alerts on relevant IP (patent, trademark etc.) to R&D scientists for the products and suggests remedial measures to deal with IP related issues. The IP team is also involved in product selection activity to ensure

that right products are selected for development and no potential opportunity is missed out.

As of March 31, 2016 the Company has 158 patent applications pending with various authorities. Aurobindo takes adequate care to respect trade secrets, know-how and other proprietary information and ensure that the employees, vendors and suppliers sign confidentiality agreements.

Market risks

Aurobindo is significantly dependent on US market for its business. Failure to develop profitable operations in that market could adversely affect the Company's business, operations and financial condition. This scenario poses the risk of concentration and dependence on one market.

In order to reduce the concentration risk, the Company has been spreading its business (Formulations and API) into European, Japanese and emerging markets. Aurobindo with its effective marketing strategy is also increasing sales volumes for both the businesses in existing markets and is making regular efforts to widen geographical spread by entering into large potential markets in Latin America and emerging markets. The Company has the right balance between high margin-low volume products and low margin-high volume products. The product base has been streamlined to have a right balance between various product groups.

The Company has been continuously expanding end-to-end manufacturing capacities and regular monitoring of on-going capital projects for their timely completion. This is to ensure the availability of capacities. Production planning team at Aurobindo monitors and utilizes production capacities at optimum levels with the support of an effective marketing strategy along with proper co-ordination and discussion with production heads and supply chain head.

Financial risks

Downward movements in credit rating: *Failure to maintain appropriate credit ratings could affect the Company's cost of borrowings thereby having adverse impact on profitability.*

The Company has good and standard history of servicing various borrowings. The Company is having a dedicated treasury team to review

regularly the customer collections and import payments and necessary actions are taken wherever necessary. Also, the treasury team continuously monitors day-to-day fund requirements and manages the banking relations effectively.

Foreign Currency fluctuation risks: *Aurobindo has high financial obligations towards import payments and ECB repayments. In an era of depreciating rupee against USD, huge borrowings and imports will lead to high exposure of currency risks. This could have an impact on the Company's financial position.*

Aurobindo is predominately an export oriented company. Over 87% of the Company's revenue is from international markets. At the same time, the Company is having sizable imports/working capital in foreign currency and long-term ECB to fund the export oriented projects. As such, the Company's growing exports and its proceeds provide natural hedge to the imports and working capital in foreign exchange fluctuations.

The Company is conscious of impact on earnings in the event of currency fluctuations. The forex position is reviewed on a monthly basis by the borrowing committee and quarterly by the Board of Directors/Audit Committee. Based on the decision of the borrowing committee, the treasury team would ensure the execution of transactions for forward cover.

People risks

Aurobindo's success depends largely upon an effective HR strategy that includes recruitment, learning & development, succession planning and retention of competent personnel. The HR strategy is aligned to overall business plan and growth of the Company. It is a challenge for Aurobindo in complying with all applicable statutes and maintaining good industrial & employee relations. Labour unrest could have an adverse impact on the Company's operations. The industry is human capital intensive with a high rate of attrition and this could have an impact on the Company's operations.

The HR team at Aurobindo has identified and developed people with potential to fill key business leadership positions. In addition, the Company is also recruiting and building a team of achievers with proper leadership training.

Aurobindo has been fine tuning its HR strategy in order to meet business requirement and future growth. Second-in-command in each key function and decentralised management style has developed a much stronger organization culture.

There is a proactive approach to HR management, and at Aurobindo, employees are given responsibility with authority. Emphasis is on accountability with clear job descriptions and the employees are encouraged to raise the bar and perform to their potential. The professional approach in day-to-day management has enabled the employees to stay motivated. Continuous and consistent structured interactions and communications help the personnel update and upgrade their knowledge and skills and help minimize the operational risks.

During the financial year 2015-16, the Company has taken an initiative to devise and implement a 'Statutory & Legal Compliance' framework (compliance solution - vision 360) for ensuring compliance with all applicable labour & administrative laws and for its effective monitoring. Also, for financial year 2015-16, the HR team has developed and implemented effectively an on-line employee appraisal system in formulations division to make the appraisal process more robust and to measure work performance as compared to job expectations. They strive to ensure that annual performance assessments are conducted effectively with necessary feedback and counselling.

The employee attrition in the Company is lower than the industry average. Industrial relations (IR) team is making continuous efforts to maintain a cordial relationship with employees with a view to achieve optimal performance.

Raw-material import risks

Aurobindo's dependency on China market for import of raw-material is high and this may lead to risk of import disruptions, short supplies and production bottlenecks due to unforeseen changes in government regulations & economic policies of China.

While the Company's dependence is substantial on China for raw material, efforts are being made to create newer second sources of supplies. Continuous tracking is done by the procurement

department in coordination with production planning & inventory control (PPIC) teams on the market trends & dynamics for keeping optimum levels of inventories to meet the production requirement.

Information technology (IT) risks

Achievement of business objectives for Aurobindo depends on the existence of a robust IT strategy that includes adequate IT infrastructure, data confidentiality, integrity and availability at all times. Occurrence of any unforeseen threats to IT systems could have adverse impact on data availability and continuity of operations in the Company.

Aurobindo's business presence is spread across the globe with manufacturing facilities and selling and distribution network. Business transactions are supported by ERP systems with strong security and password controls at system and application levels. During the financial year 2015-16, the Company has taken an initiative to formulate 'IT Governance Committee' with the objective of ensuring the following:

- Strategic alignment and innovation between IT and business with respect to services;
- Adequate infrastructure in place to enable appropriate service delivery;
- Effective IT risk management;
- Robust information security policies & procedures in a networked environment;
- Value delivery by IT to the business;
- Clarity and consistent communication of IT activities to Board/Audit committee;
- Adoption of best IT governance practices including process automation.

The Committee would meet on a periodical basis to review the existing IT governance matters in the Company and report on its activities, and summarize any recommendations at each meeting and refer the same to Board/Audit Committee for its consideration.

The IT team at Aurobindo conducts periodic review and evaluation of IT process and in case of any process gaps and concerns, appropriate corrective measures are taken continuously.



Business Responsibility Report

OVERVIEW

Aurobindo Pharma believes in doing business in a responsible manner. The Business Responsibility Report is aligned with the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs and is in compliance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the facts and figures reported in the Business Responsibility Report pertain to the parent company i.e. Aurobindo Pharma Limited.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L24239TG1986PLC015190		
2.	Name of the Company	Aurobindo Pharma Limited		
3.	Company Address	Registered Office: Plot No. 2, Maitri Vihar, Ameerpet, Hyderabad - 500038, Telangana, India Corporate Office: Water Mark Building, Plot No. 11, Survey No. 9, Kondapur, Hitech City, Hyderabad - 500084, Telangana, India		
4.	Website	www.aurobindo.com		
5.	E-mail ID	info@aurobindo.com		
6.	Financial year reported	April 1, 2015 to March 31, 2016		
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	S.No.	NIC code of product/service	Description
1.		21001/21002	Manufacturing generic pharmaceuticals and active pharmaceutical ingredients	
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company's robust product portfolio is spread over seven major therapeutic/product areas encompassing antibiotics, anti-retrovirals, cardiovascular, central nervous system, gastroenterologicals, anti-allergies and anti-diabetics, supported by an outstanding R&D set-up.		
9.	Total number of locations where business activity is undertaken by the Company	<p>The Company along with its subsidiaries has marketing and sales offices in over 25 countries and markets its products globally in over 150 countries.</p> <p>a. Number of international locations</p> <p>The subsidiaries of the Company have manufacturing facilities in New Jersey and California in U.S.A. and in Brazil apart from the offices in several European, African and Asian countries.</p> <p>b. Number of national locations</p> <p>The parent company has 13 manufacturing units and 2 R&D centers. In addition, there are 3 manufacturing units under construction. Further, the subsidiaries of the parent company have 5 manufacturing units and 1 unit is under construction.</p>		
10.	Markets served by the Company - Local/state/national/international	The Company, in addition to marketing its products domestically, also markets its products globally in over 150 countries. Around 87% of the sales are generated from international markets.		

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up capital	₹585.2 million
2. Total turnover	Gross turnover of ₹93,227.6 million on standalone basis
3. Total profit after taxes	₹16,196.7 million on standalone basis
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	CSR spend during the financial year 2015-16 was ₹187.6 million (1.2% of standalone profit after tax)
5. List of activities in which expenditure in 4 above has been incurred	<ul style="list-style-type: none"> • Education • Health • Sanitation • Road and public safety • Rural sports promotion, environmental sustainability, rural development and animal welfare

SECTION C: OTHER DETAILS

1. Does the Company have any subsidiary company/ companies?	Yes. Aurobindo has 46 subsidiary companies located in India and other countries as on March 31, 2016.
2. Do the subsidiary company/companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The parent company undertakes majority of the BR initiatives.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	Entities like suppliers, distributors did not participate in the Company BR initiative in the reporting period.

SECTION D: BR INFORMATION

1. Details of Director responsible for BR	<p>a. Details of the Director responsible for implementation of the BR policies:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>DIN Number</td> <td>00050482</td> </tr> <tr> <td>Name</td> <td>Mr. N. Govindarajan</td> </tr> <tr> <td>Designation</td> <td>Managing Director</td> </tr> <tr> <td>Telephone number</td> <td>+91 40 6672 5266</td> </tr> <tr> <td>E-mail ID</td> <td>secretarial@aurobindo.com</td> </tr> </tbody> </table> <p>b. Details of the BR head: Same as above</p>	Particulars	Details	DIN Number	00050482	Name	Mr. N. Govindarajan	Designation	Managing Director	Telephone number	+91 40 6672 5266	E-mail ID	secretarial@aurobindo.com
Particulars	Details												
DIN Number	00050482												
Name	Mr. N. Govindarajan												
Designation	Managing Director												
Telephone number	+91 40 6672 5266												
E-mail ID	secretarial@aurobindo.com												

2. Principles of BR policies as per National Voluntary Guidelines

Details of compliance

S. No.	Questions	Ethics	Product Life Cycle Sustainability	Employees well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Community Development (CSR)	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policies for	Y	The Company continuously focuses on the optimal utilization of resources from its product design to disposal.	Y	Y	Y	Y	NA	Y	The Company in its operations ensures customer value.
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y		Y	Y	Y	Y		Y	
3.	Does the policy conform to any national/ international standards? If yes, specify?	Y		Y	Y	Y	Y*		Y*	
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	Y		Y	Y	Y	Y		Y	
5.	Does the Company have a specified committee of the Board/Director/ official to oversee the implementation of the policy?	Being Formulated		Y	Y	Y	Y		Y	
6.	Indicate the link for the policy to be viewed on-line?	**		Employees self service in IHRMS			**		**	
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y		Y	Y	Y	Y		Y	
8.	Does the Company have in-house structure to implement the policies?	Y		Y	Y	Y	Y		Y	
9.	Does the Company have a grievance redressal mechanism related to the policies to address stakeholders' grievances related to the policies?	Being Formulated		Systems in place	Being Formulated					
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N		Y	Y	Y	Y		The CSR assessment is done internally.	

The Company abides by the law of land and the policies are framed considering the national standards.

*Policy is in line with ISO 14001 international standards.

The policies are available at the following link: **<http://www.aurobindo.com/about-us/corporate-governance>.

3. Governance related to BR

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company.
Reviewed annually.
- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
This is the first Business Responsibility Report of the Company and is a part of the Annual Report for financial year 2015-16.

SECTION E PRINCIPLE-WISE PERFORMANCE

Principle 1 - Ethics

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the group/joint ventures/suppliers/contractors/NGOs/others?**

The Company is committed to building a strong ethical organization. As a result, the Company has adopted a Code of Conduct policy which is applicable to all supervisory, executive and managerial employees of the Company including the board members. The policy lays emphasis on the honesty, integrity and ethical conduct of the employees and has been communicated to the employees, across all the locations.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

We did not receive any significant stakeholder complaints during the financial year.

Principle 2 - Product Life Cycle Sustainability

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Our following products help address social or environmental concerns in their design

- Tenofovir Disoproxyl Fumarate
- Levetiracetam
- Carvedilol

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).**

Product wise details are mentioned as follows:

- Tenofovir Disoproxyl Fumarate:** Tenofovir disoproxyl is an antiretroviral medication used to prevent and treat HIV/AIDS and to treat chronic hepatitis. The drug is on the World Health Organization's List of Essential Medicines, the most important medications needed in a basic health system.

Significant improvements have been done in manufacturing this API, by

reducing the waste of raw materials and solvents by almost 30% and 50%, respectively. This was achieved by improving the output and reducing & recycling the solvents and reagents in the process.

- Levetiracetam:** Levetiracetam has been approved as add-on treatment for partial (focal) myoclonic and tonic-clonic seizures. It has potential benefits for other psychiatric and neurologic conditions such as Tourette syndrome, anxiety disorder and Alzheimer's disease. However, its most serious adverse effects are behavioral, and its benefit-risk ratio in these conditions is not well understood.

Process was developed to reduce the waste by improving the output. Power and fuel cost reduction was achieved by improving the scale of operations.

- Carvedilol:** Carvedilol is a beta blocker used in the treatment of mild to severe congestive heart failure (CHF), left ventricular dysfunction (LVD) following heart attack in people who are otherwise stable and high blood pressure. Carvedilol is indicated in the management of CHF.

More than 50% reduction in wastage is by improving the yields, recycling the solvents and substituting with alternative reagents.

Overall, the organic waste generated from our process is further recycled in cement kilns as a fuel. A chemical synthetic process was converted to enzymatic route, for a major antibiotic API. This change had reduced the waste by more than 30% and also reduced the chemical hazardous waste (solid and liquid). This reduced the load on the effluent treatment facility and the environment.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

The Company has laid down a standard operating procedure for the selection of its vendors and approving the same for sourcing of material. There is a system in place for evaluating the EHS resources and compliance of key suppliers and vendors for key raw material intermediates and API sourcing.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

The Company follows a strict sourcing code of conduct with respect to the compliance and quality. The Company procures goods and services from local vendors in the vicinity of the manufacturing locations who fulfill the above key criteria of compliance and quality.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? Also, provide details thereof, in about 50 words or so.**

Yes. The Company has a mechanism to recycle or dispose materials including waste in a responsible manner.

- The solvents are recovered and reused wherever possible in processes.
- Used catalysts are sent back to manufacturers for regeneration and reuse;
- All organic wastes generated from Active Pharmaceutical Ingredients (API) units (solids and liquids) and all the wastes generated from formulations units (with very few exceptions) are disposed to cement units for use as auxiliary fuel called 'co-processing' of wastes. For the financial year under discussion, around 51% of the waste is recycled through co-processing.

Principle 3 - Employee well being

1. **Please indicate the total number of employees.**

The Company has 13,288 employees as on March 31, 2016.

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis.**

Company has over 9,000 contractual employees as on March 31, 2016.

3. **Please indicate the number of permanent women employees.**

Company has 598 women employees as on March 31, 2016.

4. **Please indicate the number of permanent employees with disabilities.**

No data available.

5. Do you have an employee association that is recognized by management?

Yes.

6. What percentage of your permanent employees is member of this recognized employee association?

Around 11% of our employees are members of the recognized employee association.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S.No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	Nil. The Company does not hire child labour, forced labour, involuntary labor	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent employees: Employee training is a continuous process in the organization and all the employees are given mandatory safety training at the time of joining the organization. Further, there is continuous skill based trainings imparted to over 90% of our employees.
- Permanent women employees: No separate record is maintained.
- Casual/temporary/contractual employees: All our contractual employees are imparted with trainings.
- Employees with disabilities: NA

The Company believes in greater engagement with its stakeholders and being sensitive towards their needs and expectations. This is one of the corporate values that focuses on being responsive, listening to stakeholders, being proactive and transparent.

The Company has a whistle blower policy that provides support to employees, channel partners and vendors to report significant deviations from key management policies and report any non-compliance and wrong practices. The Company also has an investor grievance cell where the investors can raise their concerns and are resolved appropriately.

Principle 5 - Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the group/joint ventures/ suppliers/contractors/NGOs/others?

The policy covers the employees of the organization.

2. How many stakeholder complaints have been received in the past financial year and what per cent was satisfactorily resolved by the management?

Nil.

Principle 6 - Environment

1. Does the policy cover only the Company or extends to the group/joint ventures/ suppliers/contractors/NGOs/others?

We have a well-defined environment, health and safety policy that caters to the

employees, group, joint venture and the contractors working at our sites. The Company is committed to operate all its units in an environmentally friendly manner while protecting health and safety of its employees.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?

Moving from high ozone depletion substances to low ozone depletion substances.

3. Does the Company identify and assess potential environmental risks?

Yes.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so.

At present, the Company does not have any project related to Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc?

Yes. The Company has undertaken several initiatives in terms of energy efficiency and cleaner technologies. With respect to the energy efficiency, the Company started using jet aerators in place of conventional floating aerators in treatment of wastewater. The jet aerators are more energy efficient than the conventional systems.

In cleaner technologies, the Company has been practicing segregation of organic wastes and disposal of wastes to cement units where the wastes are used as auxiliary fuel in co-processing while serving the purpose of destruction of waste. It is in this category, we have started segregation of solvents generated from quality control laboratories, collected, stored and disposed of to cement units. This not only reduces organic load in wastewater as this stream earlier used to be mixed with wastewater but also is now being utilized as an auxiliary fuel in cement kilns.

6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at the end of the financial year.

No pending notices as on March 31, 2016.

Principle 7 - Policy advocacy

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

The Company is a member of various trade bodies and chamber associations in India as follows:

1. Export Promotion Council for EOUS & SEZS
2. Indian Drug Manufacturers Association
3. Indian Chamber of Commerce & Industry
4. The Federation TG and AP Chambers of Commerce & Industry (FAPCCI)
5. Confederation of Indian Industry
6. Andhra Chamber of Commerce
7. Bulk Drug Manufacturers Association
8. Pharmaceuticals Export Promotion Council of India
9. Indo American Chamber of Commerce
10. JNPC Manufacturers Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas.

The Company focuses on the advancement/improvement of public good through our well defined CSR activities.

Principle 8 - Community Development (CSR)

1. Does the company have specified programs/initiatives/projects in pursuit of this policy? If yes, details thereof.

The Company focuses on specific projects

for the development of the society. The Company's vision is to carry out its normal business in a manner that is beneficial to society & environment in addition to the propagation of business. The Company focuses on the following areas:

- Education
- Health
- Sanitation
- Road and Public safety
- Rural sports promotion, environmental sustainability, rural development and animal welfare.

The Company also provides infrastructure support to the above mentioned areas.

2. Are the programs/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?

The Company has a fully functional CSR team for the implementation and monitoring of various CSR projects. Any use of the external agencies viz NGOs, government offices etc are project based.

3. Have you done any impact assessment of your initiative?

We review our projects time to time. Each project has specific deliverables to be met. The internal teams ensures the implementation of the projects undertaken.

4. What is your Company's direct contribution to community development projects - amount and details of the projects undertaken?

The Company has spent ₹187.6 million on the CSR activities during the financial year 2015-16. The amount was spent on areas as mentioned in point 1.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Our community development program revolves around education, health, sanitation etc. The programs conducted during the financial year have benefitted more than 50,000 students and 100,000 families. During the period, the Company has set up various libraries for the students,

provided skill development & employment enhancing skills in backward and rural areas. The Company sponsored Aurobindo Geriatric Eye Care Centre (AGE) at L. V. Prasad Eye Institute provides eye care treatment covering all districts of northern Andhra Pradesh and neighboring Odisha state. In order to promote rural sports, training is provided to rural sportsmen and women in games such as chess, badminton, and power lifting.

Further details on our CSR projects undertaken during 2015-16 are mentioned in a separate section of the annual report.

Principle 9 - Customer value

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

We have a well-defined mechanism to handle customer complaints. As on March 31, 2016 less than 1% of the complaints were pending beyond the acceptable timelines as per the Standard Operating Procedures (SOP).

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The product labeling is to be approved by the regulatory authorities of the country where the product is to be sold. The Company mentions all the product information required by the regulatory agencies.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of the financial year?

There is no pending case as on March 31, 2016.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

The Company has a dedicated team that regularly does face to face review meetings with the customers to understand their needs. These interactions help in getting useful feedback to improve upon the existing process.

Annexure-1

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Part 'A': Subsidiaries

Sl. No.	Name of the subsidiary	Reporting currency	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments in subsidiaries	Investments other than subsidiaries	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed dividend	% of share-holding	Country
1.	Helix Healthcare B.V.	EURO	75.3950	7,597.0	(945.8)	2,733.2	529.8	4,447.8	-	-	(500.9)	(74.0)	(426.9)	-	100	The Netherlands
2.	Agile Pharma B.V.	EURO	75.3950	3,043.3	504.6	2,981.2	7,068.7	7,635.4	-	-	357.9	159.7	198.2	-	100	The Netherlands
3.	APL Holdings (Jersey) Limited ¹	EURO	75.3950	-	-	-	-	-	-	-	(1.9)	-	(1.9)	-	100	Jersey
4.	Laboratorios Aurobindo S.L.	EURO	75.3950	366.9	(310.1)	1,681.7	1,624.9	-	-	1,040.4	51.1	35.6	15.4	-	100	Spain
5.	Aurex B.V. (Formerly known as Pharmacin B.V.)	EURO	75.3950	1.4	95.7	300.7	203.6	-	-	434.4	26.3	5.8	20.5	-	100	The Netherlands
6.	Milpharm Limited	GBP	95.4725	343.5	499.4	2,096.6	1,253.7	-	-	2,226.9	152.6	33.2	119.5	-	100	United Kingdom
7.	Aurobindo Pharma (Malta) Limited	EURO	75.3950	382.6	227.1	689.4	299.4	219.7	-	416.6	(84.2)	1.1	(85.4)	-	100	Malta
8.	APL Swift Services (Malta) Limited	EURO	75.3950	271.4	(68.1)	3,684.1	3,480.8	-	-	7,313.6	(28.1)	-	(28.1)	-	100	Malta
9.	APL IP Company Limited ²	EURO	75.3950	-	-	-	-	-	-	-	(1.0)	-	(1.0)	-	100	Jersey
10.	Aurobindo Pharma GmbH	EURO	75.3950	1.9	299.2	2,248.8	1,947.7	-	-	825.8	51.3	11.7	39.6	-	100	Germany
11.	Aurobindo Pharma B.V. ³	EURO	75.3950	-	-	-	-	-	-	-	(6.9)	26.1	(33.0)	-	100	The Netherlands
12.	Aurobindo Pharma (Romania) s.r.l. ¹⁰	RON	16.7688	153.8	(93.1)	315.1	254.4	-	-	223.5	(8.1)	(0.3)	(7.7)	-	100	Romania
13.	Aurobindo Ilac Sanayi Ve Ticaret Limited Sikketi	TRY	23.3636	156.0	(69.2)	91.2	4.4	-	-	-	(13.3)	-	(13.3)	-	100	Turkey
14.	Aurobindo Pharma (Portugal) Unipessoal Limitada	EURO	75.3950	562.7	(900.7)	253.0	591.0	-	-	221.4	(160.8)	(10.6)	(150.2)	-	100	Portugal
15.	Pharmacin B.V. (Formerly known as Aurex B.V.)	EURO	75.3950	6.8	4.7	76.9	65.4	-	-	246.2	5.9	1.2	4.7	-	100	The Netherlands
16.	Aurobindo Pharma (Italia) S.r.l.	EURO	75.3950	150.8	(34.8)	1,482.7	1,366.7	-	-	1,247.1	(247.7)	-	(247.7)	-	100	Italy
17.	Aurovitas Unipessoal LDA	EURO	75.3950	0.4	76.2	513.2	436.6	-	-	1,160.1	44.1	17.8	26.3	-	100	Portugal
18.	Actavis France SAS ⁴	EURO	75.3950	-	-	-	-	-	-	-	-	-	-	-	100	France
19.	Arrow Generiques SAS	EURO	75.3950	2,785.5	(909.4)	6,180.3	4,304.2	-	-	10,626.3	222.1	40.6	181.5	-	100	France
20.	1980 Puren Pharma GmbH (formerly Actavis Management GmbH)	EURO	75.3950	1.9	2.0	4.4	0.5	-	-	-	0.1	0.9	(0.8)	-	100	Germany
21.	Puren Pharma GmbH & Co. KG (formerly Actavis Deutschland GmbH & Co. KG)	EURO	75.3950	1.9	1,492.4	8,951.4	7,457.1	-	-	5,722.4	1,000.9	205.0	795.9	111.4	100	Germany
22.	Aurovitas Spain SA (formerly Actavis Spain S.A)	EURO	75.3950	9.4	631.5	1,536.6	895.7	-	-	1,938.5	(61.1)	(7.9)	(53.2)	-	100	Spain
23.	Aurobindo Pharma B.V. (formerly known as Actavis B.V.)	EURO	75.3950	3.8	(140.9)	2,264.8	2,401.9	-	-	2,969.0	(302.2)	-	(302.2)	-	100	The Netherlands
24.	APL Pharma Thai Limited ¹⁰	THB	1.8860	188.6	(27.5)	441.4	280.3	-	-	398.3	(14.2)	-	(14.2)	-	98	Thailand
25.	Aurobindo Pharma Industria Farmaceutica Limited ¹⁰	Reais	18.4410	186.8	490.9	880.4	202.7	-	-	1,580.6	385.4	146.9	238.5	-	100	Brazil
26.	Aurobindo Pharma Produtos Farmaceuticos Limitada ¹⁰	Reais	18.4410	1.8	89.7	551.2	459.7	-	-	801.7	150.9	29.2	121.8	-	100	Brazil

(Contd.)

Sl. No.	Name of the subsidiary	Reporting currency	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments in subsidiaries	Investments other than subsidiaries	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed dividend	% of shareholding	Country
27.	All Pharma (Shanghai) Trading Company Limited ¹⁰	RMB	10.2506	51.3	103.0	288.2	133.9	-	-	1,119.4	14.7	4.4	10.3	-	100	China
28.	Auro Pharma Inc.	CAD	51.2300	221.6	30.9	989.7	737.2	-	-	648.2	149.5	9.4	140.1	-	100	Canada
29	Aurobindo Pharma (Australia) Pty Limited ⁵	AUD	50.6847	-	-	-	-	-	-	2.7	(2.5)	-	(2.5)	-	100	Australia
30	Aurobindo Pharma (Pty) Limited	ZAR	4.5012	188.6	228.4	546.4	203.7	-	74.3	628.3	68.0	-	68.0	-	100	South Africa
31	Auro Healthcare (Nigeria) Limited	Naira (NGN)	0.3287	20.8	(20.0)	1.7	0.9	-	-	1.0	(3.3)	0.1	(3.3)	-	100	Nigeria
32	Aurobindo Pharma Japan K.K.	JPY	0.5899	87.8	17.7	244.6	139.1	-	-	305.0	9.9	3.3	6.5	-	100	Japan
33	Aurobindo Pharma (Singapore) Pte Limited ⁶	SGD	49.0163	-	-	-	-	-	-	-	(0.8)	-	(0.8)	-	100	Singapore
34	Aurobindo Pharma NZ Limited ⁷	NZD	45.7068	-	-	-	-	-	-	-	-	-	-	-	100	Newzealand
35	Aurovida Farmaceutica SA DE CV ¹⁰	MXN (Mpeso)	3.8307	449.5	(105.6)	371.9	28.0	-	-	29.2	(59.4)	-	(59.4)	-	100	Mexico
36	Aurobindo Pharma Colombia S A S ¹⁰	Colombian Peso	0.0213	31.6	(15.8)	81.2	65.4	-	-	110.3	(4.9)	1.1	(6.0)	-	100	Colombia
37	Aurobindo Pharma USA Inc.	USD	66.2550	4,086.3	3,000.3	26,423.2	23,441.1	4,104.5	-	34,945.5	1,080.6	350.3	730.3	-	100	U.S.A.
38	Aurolife Pharma LLC	USD	66.2550	4,041.6	3,291.8	9,209.5	1,876.1	-	-	9,215.8	2,605.3	844.6	1,760.7	-	100	U.S.A.
39	Auromedics Pharma LLC	USD	66.2550	13.3	413.7	3,994.7	3,567.7	-	-	6,305.0	406.5	131.8	274.7	-	100	U.S.A.
40	Auro Health LLC	USD	66.2550	0.6	(565.8)	1,128.5	1,693.7	-	-	259.4	(220.8)	(71.6)	(149.2)	-	100	U.S.A.
41	Natrol Inc	USD	66.2550	33.1	688.9	7,907.7	7,185.7	-	-	7,367.8	1,122.9	364.0	758.8	-	100	U.S.A.
42	APL Research Centre Limited	INR	1.0000	122.6	(3.0)	119.6	-	-	-	(2.8)	-	-	(2.8)	-	100	India
43	APL Healthcare Limited	INR	1.0000	875.0	(58.2)	917.7	100.9	-	-	5.3	(56.6)	-	(56.6)	-	100	India
44	Auronext Pharma Private Limited ⁹	INR	1.0000	1,529.8	(686.3)	1,114.6	271.1	-	-	160.5	(205.6)	-	(205.6)	-	100	India
45	Auro Peptides Limited	INR	1.0000	661.0	43.7	768.8	64.1	-	-	345.9	161.0	55.8	105.2	-	95	India
46	Aurobindo Antibiotics Limited	INR	1.0000	13.0	(8.3)	12.9	8.2	-	-	-	(8.2)	-	(8.2)	-	100	India
47	Curepro Parenterals Limited	INR	1.0000	57.8	804.8	2.6	-	860.0	-	-	(0.1)	0.1	(0.2)	-	100	India
48	Eugia Pharma Specialities Limited	INR	1.0000	1,433.4	(12.6)	2,644.2	1,223.4	-	-	(10.5)	0.6	(11.1)	(11.1)	-	60	India
49	Hyacinth Pharma Private Limited	INR	1.0000	97.4	(1.6)	95.8	-	-	-	(1.0)	-	-	(1.0)	-	100	India
50	Silicon Life Sciences Private Limited	INR	1.0000	448.7	(118.8)	784.7	454.8	-	-	267.3	(102.0)	(35.9)	(66.0)	-	100	India
51	AuroZymes Limited	INR	1.0000	0.5	(0.7)	43.4	43.6	-	-	-	(0.6)	-	(0.6)	-	100	India
52	Tergene Biotech Private Limited ⁸	INR	1.0000	96.5	(59.2)	46.0	8.7	-	-	0.2	(54.3)	-	(54.3)	-	60	India

¹ APL Holdings (Jersey) Limited, liquidated w.e.f. November 18, 2015.

² APL IP Company Limited, liquidated w.e.f. November 18, 2015.

³ Aurobindo Pharma B.V. merged with Actavis B.V. Subsequently, the name of Actavis B.V. was changed to Aurobindo Pharma B.V. w.e.f. July 1, 2015.

⁴ Actavis France SAS was merged with Arrow Generiques SAS w.e.f. April 1, 2015.

⁵ Aurobindo Pharma (Australia) Pty Limited, liquidated w.e.f. April 10, 2015.

⁶ Aurobindo Pharma (Singapore) Pte Limited, liquidated w.e.f. December 31, 2015.

⁷ Aurobindo Pharma NZ Limited, liquidated w.e.f. April 10, 2015. It was incorporated during the financial year 2011-12 and there was no activity during the year.

⁸ Tergene Biotech Private Limited acquired during the financial year, results given are from the date of acquisition.

⁹ Auronext Pharma Private Limited has become wholly owned subsidiary of Aurobindo Pharma Limited, India w.e.f. September 16, 2015.

¹⁰ The financial year of these companies end on December 31. However, the results given are as of March 31, 2016.

Part 'B': Associates and joint ventures


(Pursuant to Section 129(3) of the Companies Act, 2013 relating to associate companies and joint ventures)

₹ Million

1.	Name of the joint venture	Novagen Pharma (Pty) Limited
2.	Latest audited Balance Sheet Date	March 31, 2016
3.	Share of joint venture held by the Company at the year end	
	i. Number	927,236
	ii. Amount of investment in joint venture	74.3
	iii. Extent of holding	50%
4.	Description of significant influence	Joint venture
5.	Reason associate/joint venture is not consolidated	Not applicable
6.	Networth attributable to shareholding as per latest audited balance sheet	294.2
7.	Profit for the year	154.4
	i. Considered in consolidation	77.2
	ii. Not considered in consolidation	77.2

For and on behalf of the Board


N. Govindarajan
 Managing Director
 DIN: 00050482


Dr. M. Sivakumaran
 Director
 DIN: 01284320

Hyderabad, May 30, 2016

Annexure-2

Form No. AOC-2

Particulars of contracts/arrangements entered into by the Company with related parties

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)
 (Referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto)

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


All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arms length basis.

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

Name of the related party	Nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ Million
Aurobindo Pharma USA Inc., U.S.A.	Wholly owned subsidiary	Sale of goods & services	On going	Based on transfer pricing guidelines	22,023.5
		Purchase of materials, assets & expenses	On going	Based on transfer pricing guidelines	48.3

Appropriate approvals have been taken for related party transactions. No amount was paid as advance.

For and on behalf of the Board


K. Ragunathan
 Chairman
 DIN: 00523576

Hyderabad
 May 30, 2016

Annexure-3

Form No. MGT-9
Extract of Annual Return

For the financial year ended on March 31, 2016

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN	:	L24239TG1986PLC015190
ii.	Registration date	:	December 26, 1986
iii.	Name of the Company	:	Aurobindo Pharma Limited
iv.	Category/sub-category of the Company	:	Company having share capital
v.	Address of the Registered Office and contact details	:	Plot No.2, Maitri Vihar, Ameerpet Hyderabad 500 038, Telangana Phone : +91 40 2373 6370 Fax : +91 40 2374 3740 Email : info@aurobindo.com
vi.	Whether listed company	:	Yes. Listed on BSE Limited and National Stock Exchange of India Limited
vii.	Name, address and contact details of Registrar and Transfer Agent, if any	:	Karvy Computershare Private Limited Unit: Aurobindo Pharma Limited Karvy Selenium, Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 Phone : +91 40 6716 2222 Fax : +91 40 2300 1153 E-mail : einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl.No.	Name and description of main products/services	NIC code of the product/service	% to total turnover of the Company
1.	Manufacturing generic pharmaceuticals and active pharmaceutical ingredients	21001/21002	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and address of the company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable Section
1.	Helix Healthcare B.V. Prins Bernhardplein 200,1097 JB Amsterdam, Post Bag No. 990 1000 AZ, The Netherlands	Foreign company	Subsidiary	100	2(87)
2.	Agile Pharma B.V., Prins Bernhardplein 200,1097 JB Amsterdam, Post Bag No. 990 1000 AZ, The Netherlands	Foreign company	Subsidiary	100	2(87)
3.	Laboratorios Aurobindo S.L. Avda. De Burgos, 16D, 5 deg Planta - Edificio Euromor, 28036, Madrid, Spain	Foreign company	Subsidiary	100	2(87)
4.	Aurex B.V. (formerly known as Pharmacin B.V.) Baarnsche Dijk, 3741, LN Baarn, The Netherlands	Foreign company	Subsidiary	100	2(87)
5.	Milpharm Limited Ares Block, Odyssey Business Park, South Ruislip, Middlesex, London, U.K.	Foreign company	Subsidiary	100	2(87)
6.	Aurobindo Pharma (Malta) Limited Vault-14, Level-2, Valletta Waterfront, Floriana, Malta	Foreign company	Subsidiary	100	2(87)
7.	APL Swift Services (Malta) Vault-14, Level-2, Valletta Waterfront, Floriana, Malta	Foreign company	Subsidiary	100	2(87)
8.	Aurobindo Pharma GmbH Willy-Brandt-Allee 2, 81829 Munchen, Germany	Foreign company	Subsidiary	100	2(87)

(Contd.)

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (Contd.)

S.No.	Name and address of the company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable Section
9.	Aurobindo Pharma (Romania) s.r.l. Bucuresti Sectorul 1, Soseaua, Bucuresti - Ploiesti, Nr 42-44, Complex, Baneasa Business & Technology Park, Cladirea B, Aripa B2, Etaj 2, Romania	Foreign company	Subsidiary	100	2(87)
10.	Aurobindo Ilac Sanayi Ve Ticaret Limited Sirketi Egitim, Mh.Poyraz Sk. Sadikoglu Plaza 5, No. 27, Kadikoy, Istanbul, Turkey	Foreign company	Subsidiary	100	2(87)
11.	Aurobindo Pharma (Portugal) Unipessoal Limitada Avenida do Forte, 3 Parque Suecia, Ed. IV, 2º, 2794-038 Carnaxide, Portugal	Foreign company	Subsidiary	100	2(87)
12.	Pharmacin B.V. (formerly known as Aurex B.V.) Molenvliet103, 3335 LH Zwinindrecht, The Netherlands	Foreign company	Subsidiary	100	2(87)
13.	Aurobindo Pharma (Italia) S.r.l. Via San Giuseppe, 102, 20147 Saronno (Varese), Italy	Foreign company	Subsidiary	100	2(87)
14.	Aurovitas, Unipessoal LDA Avenida do Forte, 3 Parque Suecia, Ed. IV, 2º, 2794-038 Carnaxide, Portugal	Foreign company	Subsidiary	100	2(87)
15.	Arrow Generiques SAS 26 avenue Tony Garnier 69007 Lyon, France	Foreign company	Subsidiary	100	2(87)
16.	1980 Puren Pharma GmbH (formerly Actavis Management GmbH), Willy-Brandt-Allee 2; D-81829 München, Germany	Foreign company	Subsidiary	100	2(87)
17.	Puren Pharma GmbH & Co. KG (formerly Actavis Deutschland GmbH & Co. KG) Willy-Brandt-Allee 2; D-81829 München, Germany	Foreign company	Subsidiary	100	2(87)
18.	Aurovitas Spain SA (formerly Actavis Spain S.A.) Avda. De Burgos, 16D, 5 deg Planta, Edificio Euromor, 28036, Madrid, Spain	Foreign company	Subsidiary	100	2(87))
19.	Aurobindo Pharma B.V. (formerly known as Actavis B.V.) Baarnschedijk 1, 3741 LN Bsaarn, The Netherlands	Foreign company	Subsidiary	100	2(87)
20.	APL Pharma Thai Limited 436, 438, Soi Phattanakaran, 30 Phattanakaran, Road Khweang Suanluang, Khet Suanluang, Bangkok, Thailand - 10250	Foreign company	Subsidiary	97.92	2(87)
21.	Aurobindo Pharma Industria Farmaceutica Limited VP-06-E Qd. 09 Mod 12 a 15, Daia Anapolis, Goias State, Brazil CEF 75132135 Rua 15 De Dezembro 128, Brazil	Foreign company	Subsidiary	99.97	2(87)
22.	Aurobindo Pharma Produtos Farmaceuticos Limitada 2 Andar Sala 205, Centro, Anapolis, Goias State, Brazil	Foreign company	Subsidiary	100	2(87)
23.	All Pharma (Shanghai) Trading Company Limited Room 3304, No.8 Xingly Road, Shanghai, P.R. China	Foreign company	Subsidiary	100	2(87)
24.	Auro Pharma Inc. 3700 Steeles Avenue, W Suite # 402, Woodbridge, Canada, ONL4L 8K8	Foreign company	Subsidiary	100	2(87)
25.	Novagen Pharma (Pty) Limited 100, Sovereign Drive, Route 21, Corporate Park Nellmapius Road, Irene, Pretoria, South Africa	Foreign company	Joint Venture	50	2(6)
26.	Aurobindo Pharma (Pty) Limited 53 Phillip Engelbrecht Avenue, Woodhill Office Park, Building No. 1, Meyersdalext 12, 1448, Johannesburg, South Africa	Foreign company	Subsidiary	100	2(87)
27.	Auro Healthcare (Nigeria) Limited Plot No.4, Oyetubo Street, Off Obafemi, Awolowo Way, Ikeja, Lagos, Nigeria	Foreign company	Subsidiary	100	2(87)
28.	Aurobindo Pharma Japan K.K. 9th Floor, Youth Building, Cho-ku, 103-0002, 1-3-8 Nihonbashi bakuro-cho, Tokyo, Japan	Foreign company	Subsidiary	100	2(87)

(Contd.)

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (Contd.)

S.No.	Name and address of the company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable Section
29.	Aurovida Farmaceutica SA DE CV Calle 14 de Agosto # 45Col. Lomas Manuel Avila CamachoDeleg, Naucalpan de Juarez, C.P. 53910, Estado de México	Foreign company	Subsidiary	100	2(87)
30.	Aurobindo Pharma Colombia S A S Calle 100 No. 17A-36, Oficina 1003-1004, Edificio One Hundred, Bogotá, Colombia	Foreign company	Subsidiary	100	2(87)
31.	Aurobindo Pharma USA Inc. 6, Wheeling Road, Dayton, NJ 08810, U.S.A.	Foreign company	Subsidiary	100	2(87)
32.	Aurolife Pharma LLC 2400 Route 130 North, Dayton, NJ 08810, U.S.A.	Not applicable	Subsidiary	100	2(87)
33.	Auromedics Pharma LLC 2401 Route 130 North, Dayton, NJ 08810, U.S.A.	Foreign company	Subsidiary	100	2(87)
34.	Auro Health LLC 2572 Brunswick Pike, Lawrenceville, NJ 08648, U.S.A.	Foreign company	Subsidiary	100	2(87)
35.	Natrol LLC 21411 Prairie Street, Chatsworth, CA 91311, U.S.A.	Foreign Company	Subsidiary	100	2(87)
36.	APL Research Centre Limited Plot No.2, Maitri Vihar, Ameerpet, Hyderabad - 500 038	U24116TG2006PLC051171	Subsidiary	100	2(87)
37.	APL Healthcare Limited Plot No.2, Maitri Vihar, Ameerpet, Hyderabad - 500 038	U24239TG2006PLC052053	Subsidiary	100	2(87)
38.	Auronext Pharma Private Limited 89-A, Ground Floor, Zamrudpur, Greater Kailash-1, New Delhi - 110 048	U74999DL2009PTC191842	Subsidiary	100	2(87)
39.	Auro Peptides Limited Plot No.2, Maitri Vihar, Ameerpet, Hyderabad - 500 038	U24232TG2012PLC078350	Subsidiary	95	2(87)
40.	Aurobindo Antibiotics Limited Plot No.2, Maitri Vihar, Ameerpet, Hyderabad - 500 038	U24232TG2012PLC081892	Subsidiary	100	2(87)
41.	Curepro Parenterals Limited Plot No.2, Maitri Vihar, Ameerpet, Hyderabad - 500 038	U24232TG2013PLC087101	Subsidiary	100	2(87)
42.	Eugia Pharma Specialities Limited Plot No.2, Maitri Vihar, Ameerpet, Hyderabad - 500 038	U24297TG2013PLC087048	Subsidiary	60	2(87)
43.	Hyacinths Pharma Private Limited Plot No.2, Maitri Vihar, Ameerpet, Hyderabad - 500 038	U24232TG2010PTC069638	Subsidiary	100	2(87)
44.	Silicon Life Sciences Private Limited Plot No.2, Maitri Vihar, Ameerpet, Hyderabad - 500 038	U85100TG2008PTC057669	Subsidiary	100	2(87)
45.	AuroZymes Limited Plot No.2, Maitri Vihar, Ameerpet, Hyderabad - 500 038	U24232TG2013PLC091383	Subsidiary	100	2(87)
46.	Tergene Biotech Private Limited 604/2A, By Pass Road, Sholavaram, Chennai - 600067, Tamil Nadu	U24230TN2008PTC066737	Subsidiary	60	2(87)

IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)
i. Categorywise share holding

Category of shareholders	No. of shares held at the beginning of the year April 1, 2015				No. of shares held at the end of the year March 31, 2016				Change during the year (%)
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoter and promoter group									
1. Indian									
a. Individual/HUF	139,883,428	-	139,883,428	47.91	279,366,856	-	279,366,856	47.74	-0.17
b. Central government/state government(s)	-	-	-	-	-	-	-	-	-
c. Bodies corporate	8,692,358	-	8,692,358	2.98	17,384,716	-	17,384,716	2.97	-0.01
d. Financial institutions/banks	-	-	-	-	-	-	-	-	-
e. Others	-	-	-	-	-	-	-	-	-
Sub-Total A(1)	148,575,786	-	148,575,786	50.89	296,751,572	-	296,751,572	50.71	-0.18
2. Foreign									
a. Individuals (NRIs/Foreign Individuals)	9,000,000	-	9,000,000	3.08	18,000,000	-	18,000,000	3.08	-
b. Bodies corporate	-	-	-	-	-	-	-	-	-
c. Institutions	-	-	-	-	-	-	-	-	-
d. Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e. Others	-	-	-	-	-	-	-	-	-
Sub-Total A(2)	9,000,000	-	9,000,000	3.08	18,000,000	-	18,000,000	3.08	-
Total A=A(1)+A(2)	157,575,786	-	157,575,786	53.97	314,751,572	-	314,751,572	53.79	-0.18
B. Public shareholding									
1. Institutions									
a. Mutual Funds/UTI	17,988,239	-	17,988,239	6.16	41,717,018	-	41,717,018	7.13	0.97
b. Financial Institutions/banks	181,669	-	181,669	0.06	535,319	-	535,319	0.09	0.03
c. Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
d. Venture Capital Funds	-	-	-	-	-	-	-	-	-
e. Insurance companies	52,951	-	52,951	0.02	246,902	-	246,902	0.04	0.02
f. Foreign Institutional Investors	86,367,982	-	86,367,982	29.58	160,362,472	-	160,362,472	27.40	-2.18
g. Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h. Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i. Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1)	104,590,841	-	104,590,841	35.82	202,861,711	-	202,861,711	34.67	-1.15
2. Non-institutions									
a. Bodies corporate	4,459,878	50,500	4,510,378	1.54	11,314,520	100,970	11,415,490	1.95	0.41
b. Individuals									
i. Individuals holding nominal share capital up to ₹1 lakh	15,313,825	1,469,277	16,783,102	5.75	30,991,479	2,622,558	33,614,037	5.74	-
ii. Individuals holding nominal share capital in excess of ₹1 lakh	6,915,881	-	6,915,881	2.37	18,674,983	-	18,674,983	3.19	0.82
c. Others									
Clearing members	311,186	-	311,186	0.11	1,007,268	-	1,007,268	0.17	0.06
Non-Resident Indians	1,287,804	-	1,287,804	0.44	2,807,530	-	2,807,530	0.48	0.04
Trusts	7,297	-	7,297	0.00	36,995	-	36,995	0.01	-
d. Qualified Foreign Investor	-	-	-	0.00	-	-	-	-	-
Sub-Total B(2)	28,295,871	1,519,777	29,815,648	10.21	64,832,775	2,723,528	67,556,303	11.54	1.33
Total B=B(1)+B(2)	132,886,712	1,519,777	134,406,489	46.03	267,694,486	2,723,528	270,418,014	46.21	0.18
Total (A+B)	290,462,498	1,519,777	291,982,275	100.00	582,446,058	2,723,528	585,169,586	100.00	0.00
C. Shares held by custodians, against which Depository Receipts have been issued									
1. Promoter and promoter group	-	-	-	-	-	-	-	-	-
2. Public	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	290,462,498	1,519,777	291,982,275	100.00	582,446,058	2,723,528	585,169,586	100.00	0.00

*During the year, the Company has issued bonus shares in the ratio of 1:1 on July 22, 2015.

ii. Shareholding of promoters

Sl. No.	Shareholder's name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1.	Mr. P.V. Ramprasad Reddy	9,000,000	3.08	-	18,000,000	3.08	-	-
2.	Mrs. P. Suneela Rani	100,661,990	34.48	0.99	205,036,760	35.04	0.62	0.56
3.	Mrs. K. Kirthi Reddy	10,350,000	3.54	0.03	207,00,000	3.54	0.03	-
4.	Mr. K. Nithyananda Reddy	13,762,350	4.71	0.70	27,524,700	4.71	0.14	-
5.	Mrs. K. Rajeswari	1,037,750	0.36	-	1,775,500	0.30	0.03	-0.01
6.	Trident Chemphar Limited	6,073,613	2.08	0.79	12,147,226	2.08	0.07	-
7.	Mrs. Kambam Spoorthi	3,800,000	1.30	0.27	7,600,000	1.30	0.42	-
8.	Dr. M. Sivakumaran	7,345,680	2.52	-	14,691,360	2.51	-	-0.01
9.	Mr. P. Rohit Reddy	1,840,000	0.63	-	-	-	-	-0.63
10.	Mrs. P. Neha Reddy	65,000	0.02	-	130,000	0.02	-	0.02
11.	Mr. P. Sarath Chandra Reddy	16,390	0.01	-	-	-	-	-0.01
12.	Axis Clinicals Limited	2,618,745	0.90	0.35	5,237,490	0.90	0.18	-
13.	Mr. K. Prasad Reddy	200,578	0.07	0.04	301,156	0.05	0.05	-0.02
14.	Mr. M. Sumanth Kumar Reddy	800,000	0.27	0.26	1,600,000	0.27	0.16	-
15.	Mr. K. Suryaprakash Reddy	3,690	-	-	7,920	-	-	-
	Total	157,575,786	53.97	3.43	314,751,572	53.79	1.70	-0.18

*During the year, the Company has issued bonus shares in the ratio of 1:1 on July 22, 2015.

iii. Change in promoters' shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	157,575,786	53.97	157,575,786	53.97
	Datewise increase/decrease in promoters share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	April 24, 2015	-150,000	-0.05	157,425,786	53.92
	June 12, 2015	-1,840,000	-0.63	155,585,786	53.29
	June 12, 2015	1,840,000	0.63	157,425,786	53.92
	June 19, 2015	-16,390	-0.01	157,409,396	53.92
	June 19, 2015	16,390	0.01	157,425,786	53.92
	July 28, 2015*	157,425,786	-	314,851,572	53.92
	December 18, 2015	-100,000	-0.02	314,751,572	53.90
	At the end of the year			314,751,572	53.79

* During the year, the Company has issued bonus shares in the ratio of 1:1 on July 22, 2015 which was credited to the respective accounts on July 28, 2015.

** Percentage change is also due to issue and allotment of shares under ESOP to the employees of the Company and consequent increase in the total share capital of the Company.

iv. Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRs and ADRs)

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	HDFC Trustee Company Limited-HDFC Equity Fund				
	At the beginning of the year	13,949,091	4.78	13,949,091	4.78
	April 10, 2015	175,000	0.06	14,124,091	4.84
	May 1, 2015	75,000	0.03	14,199,091	4.86
	May 1, 2015	-230,000	-0.08	13,969,091	4.78
	May 8, 2015	-372,000	-0.13	13,597,091	4.66
	May 15, 2015	-300,000	-0.10	13,297,091	4.55
	June 5, 2015	-360,000	-0.12	12,937,091	4.43
	June 12, 2015	-154,752	-0.05	12,782,339	4.38
	June 19, 2015	-170,000	-0.06	12,612,339	4.32
	June 30, 2015	35,000	0.01	12,647,339	4.33
	July 3, 2015	-181,000	-0.06	12,466,339	4.27
	July 10, 2015	-215,000	-0.07	12,251,339	4.20
	July 17, 2015	-69,750	-0.02	12,181,589	4.17
	July 24, 2015	26,000	0.01	12,207,589	4.18
	July 24, 2015	-601,000	-0.21	11,606,589	3.98
	July 31, 2015	12,095,089	2.07	23,701,678	4.06
	August 07, 2015	46,000	0.01	23,747,678	4.07
	August 07, 2015	-50,000	-0.01	23,697,678	4.06
	August 14, 2015	29,500	0.01	23,727,178	4.06
	August 14, 2015	-310,000	-0.05	23,417,178	4.01
	August 21, 2015	-440,000	-0.08	22,977,178	3.93
	September 11, 2015	5,500	0.00	22,982,678	3.94
	September 11, 2015	-398,000	-0.07	22,584,678	3.87
	September 18, 2015	-276,302	-0.05	22,308,376	3.82
	September 25, 2015	-300,000	-0.05	22,008,376	3.77
	September 30, 2015	213,500	0.04	22,221,876	3.81
	October 16, 2015	-300,000	-0.05	21,921,876	3.75
	October 23, 2015	-219,000	-0.04	21,702,876	3.72
	October 30, 2015	-202,000	-0.03	21,500,876	3.68
	November 6, 2015	53,900	0.01	21,554,776	3.69
	November 13, 2015	-192,000	-0.03	21,362,776	3.66
	November 27, 2015	-50,000	-0.01	21,312,776	3.65
	December 4, 2015	124,600	0.02	21,437,376	3.67
	December 4, 2015	-50,000	-0.01	21,387,376	3.66
	December 11, 2015	88,900	0.02	21,476,276	3.68
	December 11, 2015	-135,000	-0.02	21,341,276	3.65
	December 18, 2015	76,300	0.01	21,417,576	3.67
	December 25, 2015	163,800	0.03	21,581,376	3.70
	December 31, 2015	46,200	0.01	21,627,576	3.70
	January 1, 2016	630,000	0.11	22,257,576	3.81
	January 8, 2016	-28,000	0.00	22,229,576	3.81
	January 15, 2016	-285,400	-0.05	21,944,176	3.76
	February 05, 2016	-100,000	-0.02	21,844,176	3.74
	February 12, 2016	53,600	0.01	21,897,776	3.74

(Contd.)

Shareholding pattern of top ten shareholders (Contd.)

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	January 12, 2016	-475,116	-0.08	21,422,660	3.66
	February 19, 2016	1260,400	0.22	22,683,060	3.88
	February 19, 2016	-6,300	0.00	22,676,760	3.88
	February 26, 2016	16,100	0.00	22,692,860	3.88
	March 4, 2016	687,000	0.12	23,379,860	4.00
	March 4, 2016	-7,700	0.00	23,372,160	4.00
	March 11, 2016	-634,900	-0.11	22,737,260	3.89
	March 18, 2016	579,100	0.10	23,316,360	3.98
	March 18, 2016	-732,338	-0.13	22,584,022	3.86
	March 25, 2016	526,438	0.09	23,110,460	3.95
	March 25, 2016	-700	0.00	23,109,760	3.95
	March 31, 2016	100,000	0.02	23,209,760	3.97
	March 31, 2016	-25,900	0.00	23,183,860	3.96
	At the end of the year (or on the date of separation, if separated during the year)			23,183,860	3.96
2.	Stichting Depository APG Emerging Markets Equity Pool				
	At the beginning of the year	-	-	-	-
	August 21, 2015	9,191,273	1.57	9,191,273	1.57
	September 11, 2015	19,005	0.00	9,210,278	1.58
	December 4, 2015	-125,918	-0.02	9,084,360	1.56
	January 8, 2016	-265,057	-0.05	8,819,303	1.51
	January 15, 2016	-512,101	-0.09	8,307,202	1.42
	January 29, 2016	-96,114	-0.02	8,211,088	1.40
	February 26, 2016	-781,024	-0.13	7,430,064	1.27
	March 4, 2016	41,552	0.01	7,471,616	1.28
	March 18, 2016	-26,182	0.00	7,445,434	1.27
	At the end of the year (or on the date of separation, if separated during the year)			7,445,434	1.27
3.	SBI Pharma Fund				
	At the beginning of the year	421,699	0.14	421,699	0.14
	April 10, 2015	125,000	0.04	546,699	0.19
	April 17, 2015	40,000	0.01	586,699	0.20
	May 15, 2015	37,500	0.01	624,199	0.21
	May 15, 2015	-24	0.00	624,175	0.21
	May 22, 2015	-29	0.00	624,146	0.21
	May 29, 2015	20,000	0.01	644,146	0.22
	June 05, 2015	79	0.00	644,225	0.22
	June 26, 2015	60	0.00	644,285	0.22
	July 03, 2015	28	0.00	644,313	0.22
	July 10, 2015	6,750	0.00	651,063	0.22
	July 17, 2015	4	0.00	651,067	0.22
	July 31, 2015	651,067	0.11	1,302,134	0.22
	August 07, 2015	303,508	0.05	1,605,642	0.27
	August 14, 2015	-120	0.00	1,605,522	0.27
	August 21, 2015	120,011	0.02	1,725,533	0.30

(Contd.)

Shareholding pattern of top ten shareholders (Contd.)

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	August 28, 2015	182,741	0.03	1,908,274	0.33
	September 4, 2015	40,000	0.01	1,948,274	0.33
	September 11, 2015	70,000	0.01	2,018,274	0.35
	September 18, 2015	97,259	0.02	2,115,533	0.36
	September 25, 2015	30,000	0.01	2,145,533	0.37
	September 25, 2015	-2,700	0.00	2,142,833	0.37
	September 30, 2015	-23	0.00	2,142,810	0.37
	October 23, 2015	-78	0.00	2,142,732	0.37
	October 30, 2015	700	0.00	2,143,432	0.37
	November 6, 2015	3	0.00	2,143,435	0.37
	November 20, 2015	-40,000	-0.01	2,103,435	0.36
	December 4, 2015	106,400	0.02	2,209,835	0.38
	December 18, 2015	30,000	0.01	2,239,835	0.38
	December 25, 2015	-2	0.00	2,239,833	0.38
	December 31, 2015	8	0.00	2,239,841	0.38
	January 8, 2016	40,000	0.01	2,279,841	0.39
	January 15, 2016	5,000	0.00	2,284,841	0.39
	January 29, 2016	5,000	0.00	2,289,841	0.39
	February 05, 2016	534,835	0.09	2,824,676	0.48
	February 12, 2016	1,474,393	0.25	4,299,069	0.74
	February 19, 2016	533,010	0.09	4,832,079	0.83
	February 26, 2016	200,000	0.03	5,032,079	0.86
	March 4, 2016	302,714	0.05	5,334,793	0.91
	March 18, 2016	90,000	0.02	5,424,793	0.93
	March 18, 2016	-59,500	-0.01	5,365,293	0.92
	March 25, 2016	100,000	0.02	5,465,293	0.93
	At the end of the year (or on the date of separation, if separated during the year)			5,465,293	0.93
4.	Government of Singapore Investment Corporation A/c				
	At the beginning of the year	782,601	0.27	782,601	0.27
	April 10, 2015	19,039	0.01	801,640	0.27
	April 24, 2015	48,169	0.02	849,809	0.29
	April 24, 2015	-1,611	0.00	848,198	0.29
	May 1, 2015	-53,360	-0.02	794,838	0.27
	May 8, 2015	-38,284	-0.01	756,554	0.26
	June 5, 2015	5,692	0.00	762,246	0.26
	June 12, 2015	-2,664	0.00	759,582	0.26
	June 26, 2015	135,495	0.05	895,077	0.31
	June 30, 2015	49,583	0.02	944,660	0.32
	July 3, 2015	48,509	0.02	993,169	0.34
	July 10, 2015	31,486	0.01	1,024,655	0.35
	July 24, 2015	46,527	0.02	1,071,182	0.37
	July 31, 2015	1,062,797	0.18	2,133,979	0.37
	August 7, 2015	94,548	0.02	2,228,527	0.38
	August 21, 2015	545,217	0.09	2,773,744	0.47

(Contd.)

Shareholding pattern of top ten shareholders (Contd.)

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	August 28, 2015	342,083	0.06	3,115,827	0.53
	September 4, 2015	695,951	0.12	3,811,778	0.65
	September 11, 2015	-113,489	-0.02	3,698,289	0.63
	October 2, 2015	53,969	0.01	3,752,258	0.64
	October 9, 2015	183,948	0.03	3,936,206	0.67
	October 23, 2015	-4,000	0.00	3,932,206	0.67
	October 30, 2015	-57,983	-0.01	3,874,223	0.66
	November 6, 2015	-8,875	0.00	3,865,348	0.66
	November 13, 2015	273,400	0.05	4,138,748	0.71
	November 20, 2015	-144,258	-0.02	3,994,490	0.68
	December 4, 2015	-11,160	0.00	3,983,330	0.68
	December 11, 2015	-1,600	0.00	3,981,730	0.68
	December 18, 2015	4	0.00	3,981,734	0.68
	December 31, 2015	-20,923	0.00	3,960,811	0.68
	January 8, 2016	65,828	0.01	4,026,639	0.69
	January 15, 2016	-3,864	0.00	4,022,775	0.69
	January 22, 2016	-11	0.00	4,022,764	0.69
	January 29, 2016	130,388	0.02	4,153,152	0.71
	February 5, 2016	181,034	0.03	4,334,186	0.74
	February 12, 2016	-106,715	-0.02	4,227,471	0.72
	February 19, 2016	-38,807	-0.01	4,188,664	0.72
	February 26, 2016	-91,768	-0.02	4,096,896	0.70
	March 4, 2016	102,174	0.02	4,199,070	0.72
	March 4, 2016	-17,551	0.00	4,181,519	0.72
	March 11, 2016	-2,586	0.00	4,178,933	0.71
	March 31, 2016	150,972	0.03	4,329,905	0.74
	At the end of the year (or on the date of separation, if separated during the year)			4,329,905	0.74
5.	Stichting Pensioenfonds ABP				
	At the beginning of the year	4,172,709	1.43	4,172,709	1.43
	May 8, 2015	-9,385	0.00	4,163,324	1.43
	May 15, 2015	178,933	0.06	4,342,257	1.49
	May 29, 2015	-71,639	-0.02	4,270,618	1.46
	June 12, 2015	44,946	0.02	4,315,564	1.48
	June 19, 2015	119,126	0.04	4,434,690	1.52
	July 10, 2015	99,310	0.03	4,534,000	1.55
	July 17, 2015	3,960	0.00	4,537,960	1.55
	July 31, 2015	4,623,631	0.79	9,161,591	1.57
	August 7, 2015	29,682	0.01	9,191,273	1.57
	August 21, 2015	-9,191,273	-1.57	-	-
	At the end of the year (or on the date of separation, if separated during the year)			-	-
6.	Abu Dhabi Investment Authority - Behave Holdings				
	At the beginning of the year	4,042,532	1.38	4,042,532	1.38
	April 10, 2015	20,601	0.01	4,063,133	1.39

(Contd.)

Shareholding pattern of top ten shareholders (Contd.)

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	April 17, 2015	4,854	0.00	4,067,987	1.39
	April 17, 2015	-109,458	-0.04	3,958,529	1.36
	May 1, 2015	14,069	0.00	3,972,598	1.36
	May 1, 2015	-14,069	0.00	3,958,529	1.36
	May 22, 2015	-17,400	-0.01	3,941,129	1.35
	May 29, 2015	-194,208	-0.07	3,746,921	1.28
	June 5, 2015	10,700	0.00	3,757,621	1.29
	June 5, 2015	-57,402	-0.02	3,700,219	1.27
	June 12, 2015	-745	0.00	3,699,474	1.27
	June 19, 2015	8,400	0.00	3,707,874	1.27
	June 26, 2015	400,000	0.14	4,107,874	1.41
	July 3, 2015	167,000	0.06	4,274,874	1.46
	July 10, 2015	17,200	0.01	4,292,074	1.47
	July 31, 2015	4,292,074	0.73	8,584,148	1.47
	August 14, 2015	7,333	0.00	8,591,481	1.47
	August 21, 2015	382,276	0.07	8,973,757	1.54
	August 28, 2015	-31,812	-0.01	8,941,945	1.53
	September 4, 2015	37,000	0.01	8,978,945	1.54
	September 4, 2015	-69,935	-0.01	8,909,010	1.53
	September 18, 2015	-14,950	0.00	8,894,060	1.52
	September 25, 2015	-107,862	-0.02	8,786,198	1.50
	October 23, 2015	244,175	0.04	9,030,373	1.55
	October 23, 2015	-260,124	-0.04	8,770,249	1.50
	November 6, 2015	464,524	0.08	9,234,773	1.58
	November 13, 2015	613,009	0.10	9,847,782	1.69
	November 13, 2015	-613,009	-0.10	9,234,773	1.58
	November 20, 2015	-233,397	-0.04	9,001,376	1.54
	November 27, 2015	-54,914	-0.01	8,946,462	1.53
	December 4, 2015	-177,392	-0.03	8,769,070	1.50
	December 11, 2015	-403,465	-0.07	8,365,605	1.43
	December 18, 2015	-397,837	-0.07	7,967,768	1.36
	December 25, 2015	-141,763	-0.02	7,826,005	1.34
	January 22, 2016	14,300	0.00	7,840,305	1.34
	January 29, 2016	190,594	0.03	8,030,899	1.37
	February 5, 2016	22,427	0.00	8,053,326	1.38
	February 26, 2016	268,000	0.05	8,321,326	1.42
	February 26, 2016	-23,426	0.00	8,297,900	1.42
	March 4, 2016	160,000	0.03	8,457,900	1.45
	March 4, 2016	-32,601	-0.01	8,425,299	1.44
	March 11, 2016	218,965	0.04	8,644,264	1.48
	March 18, 2016	1,000,295	0.17	9,644,559	1.65
	March 18, 2016	-465,003	-0.08	9,179,556	1.57
	March 25, 2016	83,205	0.01	9,262,761	1.58
	At the end of the year (or on the date of separation, if separated during the year)			9,262,761	1.58

(Contd.)

Shareholding pattern of top ten shareholders (Contd.)

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7.	Morgan Stanley Asia (Singapore) PTE				
	At the beginning of the year	3,401,742	1.17	3,401,742	1.17
	April 10, 2015	-1,296,191	-0.44	2,105,551	0.72
	April 17, 2015	-226,721	-0.08	1,878,830	0.64
	April 24, 2015	-386,052	-0.13	1,492,778	0.51
	May 1, 2015	-343,882	-0.12	1,148,896	0.39
	May 8, 2015	-152,158	-0.05	996,738	0.34
	May 15, 2015	-237,693	-0.08	759,045	0.26
	May 22, 2015	-9,998	0.00	749,047	0.26
	May 29, 2015	-3,893	0.00	745,154	0.26
	June 5, 2015	67,159	0.02	812,313	0.28
	June 12, 2015	27,252	0.01	839,565	0.29
	June 19, 2015	-1,750	0.00	837,815	0.29
	June 26, 2015	-166,047	-0.06	671,768	0.23
	June 30, 2015	-175,399	-0.06	496,369	0.17
	July 3, 2015	2,899	0.00	499,268	0.17
	July 17, 2015	-750	0.00	498,518	0.17
	July 24, 2015	15,608	0.01	514,126	0.18
	July 31, 2015	506,122	0.09	1,020,248	0.17
	August 7, 2015	-37,744	-0.01	982,504	0.17
	August 14, 2015	31,002	0.01	1,013,506	0.17
	August 21, 2015	-3,221	0.00	1,010,285	0.17
	August 28, 2015	-10,544	0.00	999,741	0.17
	September 4, 2015	125,300	0.02	1,125,041	0.19
	September 11, 2015	5,354	0.00	1,130,395	0.19
	September 25, 2015	11,277	0.00	1,141,672	0.20
	September 30, 2015	-78,853	-0.01	1,062,819	0.18
	October 2, 2015	-3	0.00	1,062,816	0.18
	October 9, 2015	-15,704	0.00	1,047,112	0.18
	October 16, 2015	1,468	0.00	1,048,580	0.18
	October 23, 2015	-53,358	-0.01	995,222	0.17
	October 30, 2015	-26,587	0.00	968,635	0.17
	November 6, 2015	-9,039	0.00	959,596	0.16
	November 13, 2015	-114,367	-0.02	845,229	0.14
	November 20, 2015	12,703	0.00	857,932	0.15
	November 27, 2015	455	0.00	858,387	0.15
	December 4, 2015	-2,205	0.00	856,182	0.15
	December 11, 2015	-229	0.00	855,953	0.15
	December 18, 2015	2,998	0.00	858,951	0.15
	December 25, 2015	1,592	0.00	860,543	0.15
	December 31, 2015	14,899	0.00	875,442	0.15
	January 8, 2016	-9,255	0.00	866,187	0.15
	January 15, 2016	9	0.00	866,196	0.15
	January 22, 2016	-12,410	0.00	853,786	0.15
	January 29, 2016	2,605	0.00	856,391	0.15

(Contd.)

Shareholding pattern of top ten shareholders (Contd.)

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	February 5, 2016	22,392	0.00	878,783	0.15
	February 12, 2016	-6,455	0.00	872,328	0.15
	February 19, 2016	-52,149	-0.01	820,179	0.14
	February 26, 2016	-42,501	-0.01	777,678	0.13
	March 4, 2016	-172,241	-0.03	605,437	0.10
	March 11, 2016	4,774	0.00	610,211	0.10
	March 18, 2016	5,364	0.00	615,575	0.11
	March 31, 2016	6,300	0.00	621,875	0.11
	At the end of the year (or on the date of separation, if separated during the year)			621,875	0.11
8.	Rakesh Jhunjhunwala				
	At the beginning of the year	3,000,000	1.03	3,000,000	1.03
	May 15, 2015	1,000,000	0.34	4,000,000	1.37
	July 31, 2015	4,000,000	0.68	8,000,000	1.37
	September 4, 2015	-400,000	-0.07	7,600,000	1.30
	September 11, 2015	-100,000	-0.02	7,500,000	1.28
	November 06, 2015	-1,350,000	-0.23	6,150,000	1.05
	November 27, 2015	-75,000	-0.01	6,075,000	1.04
	December 11, 2015	300,000	0.05	6,375,000	1.09
	December 11, 2015	-300,000	-0.05	6,075,000	1.04
	January 15, 2016	600,000	0.10	6,675,000	1.14
	January 15, 2016	-100,000	-0.02	6,575,000	1.13
	January 22, 2016	-50,000	-0.01	6,525,000	1.12
	At the end of the year (or on the date of separation, if separated during the year)			6,525,000	1.12
9.	Vanguard Total International Stock Index Fund				
	At the beginning of the year	943,030	0.32	943,030	0.32
	April 10, 2015	15,051	0.01	958,081	0.33
	April 17, 2015	13,920	0.00	972,001	0.33
	May 1, 2015	13,947	0.00	985,948	0.34
	May 8, 2015	14,609	0.01	1,000,557	0.34
	May 22, 2015	23,552	0.01	1,024,109	0.35
	June 5, 2015	23,409	0.01	1,047,518	0.36
	July 3, 2015	22,766	0.01	1,070,284	0.37
	July 17, 2015	22,022	0.01	1,092,306	0.37
	July 24, 2015	21,057	0.01	1,113,363	0.38
	July 31, 2015	1,155,628	0.20	2,268,991	0.39
	August 7, 2015	43,668	0.01	2,312,659	0.40
	August 14, 2015	41,306	0.01	2,353,965	0.40
	August 21, 2015	41,684	0.01	2,395,649	0.41
	August 28, 2015	46,708	0.01	2,442,357	0.42
	September 25, 2015	46,490	0.01	2,488,847	0.43
	November 6, 2015	38,051	0.01	2,526,898	0.43
	December 4, 2015	39,213	0.01	2,566,111	0.44
	December 18, 2015	40,733	0.01	2,606,844	0.45

(Contd.)

Shareholding pattern of top ten shareholders (Contd.)

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	January 15, 2016	38,516	0.01	2,645,360	0.45
	January 22, 2016	42,298	0.01	2,687,658	0.46
	February 19, 2016	45,755	0.01	2,733,413	0.47
	March 4, 2016	55,797	0.01	2,789,210	0.48
	At the end of the year (or on the date of separation, if separated during the year)			2,789,210	0.48
10.	Morgan Stanley Mauritius Company Limited				
	At the beginning of the year	556,480	0.19	556,480	0.19
	April 10, 2015	-895	0.00	555,585	0.19
	April 17, 2015	-2,258	0.00	553,327	0.19
	May 8, 2015	32,266	0.01	585,593	0.20
	May 15, 2015	-23,719	-0.01	561,874	0.19
	May 22, 2015	-11,829	0.00	550,045	0.19
	May 29, 2015	6,000	0.00	556,045	0.19
	June 5, 2015	157,750	0.05	713,795	0.24
	June 26, 2015	-1,543	0.00	712,252	0.24
	June 30, 2015	1,622,998	0.56	2,335,250	0.80
	July 3, 2015	-167,225	-0.06	2,168,025	0.74
	July 17, 2015	-102,266	-0.04	2,065,759	0.71
	July 24, 2015	-299,545	-0.10	1,766,214	0.60
	July 31, 2015	2,051,869	0.35	3,818,083	0.65
	August 7, 2015	-352,880	-0.06	3,465,203	0.59
	August 14, 2015	-144,471	-0.02	3,320,732	0.57
	August 21, 2015	-155,786	-0.03	3,164,946	0.54
	August 28, 2015	328,886	0.06	3,493,832	0.60
	September 04, 2015	856,666	0.15	4,350,498	0.74
	September 11, 2015	-7,193	0.00	4,343,305	0.74
	September 25, 2015	12,000	0.00	4,355,305	0.75
	October 23, 2015	-226,459	-0.04	4,128,846	0.71
	October 30, 2015	-1,300,000	-0.22	2,828,846	0.48
	November 06, 2015	11,800	0.00	2,840,646	0.49
	November 20, 2015	78,549	0.01	2,919,195	0.50
	December 25, 2015	2,800	0.00	2,921,995	0.50
	December 31, 2015	3,542	0.00	2,925,537	0.50
	January 1, 2016	18,900	0.00	2,944,437	0.50
	January 8, 2016	3,500	0.00	2,947,937	0.50
	January 15, 2016	1,400	0.00	2,949,337	0.51
	February 5, 2016	179,200	0.03	3,128,537	0.53
	February 12, 2016	3,500	0.00	3,132,037	0.54
	February 26, 2016	1,400	0.00	3,133,437	0.54
	March 4, 2016	-714,351	-0.12	2,419,086	0.41
	March 11, 2016	-74,895	-0.01	2,344,191	0.40
	March 31, 2016	306,600	0.05	2,650,791	0.45
	At the end of the year (or on the date of separation, if separated during the year)			2,650,791	0.45

(Contd.)

v. Shareholding of Directors and Key Managerial Personnel

Directors and Key Managerial Personnel		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Directors				
1.	Mr. K. Ragunathan	-	-	-	-
	At the end of the year	-	-	-	-
2.	Mr. K. Nithyananda Reddy	13,762,350	4.71	13,762,350	4.71
	July 22, 2015				
	Allotment of bonus shares	13,762,350	2.35	27,524,700	4.71
	At the end of the year			27,524,700	4.71
3.	Mr. N. Govindarajan	200,000	0.07	200,000	0.07
	April 10, 2015- Transfer	-50,000	0.02	150,000	0.05
	June 26, 2015 - Transfer	-25,000	0.00	125,000	0.04
	July 22, 2015				
	Allotment of bonus shares	125,000	0.02	250,000	0.04
	January 19, 2016				
	Allotment of shares under ESOP	500,000	0.09	750,000	0.13
	At the end of the year			750,000	0.13
4.	Dr. M. Sivakumaran	7,345,680	2.52	7,345,680	2.52
	July 22, 2015				
	Allotment of bonus shares	7,345,680	1.26	1,4691,360	2.51
	At the end of the year			1,4691,360	2.51
5.	Mr. M. Madan Mohan Reddy	1,005	0.00	1,005	0.00
	July 22, 2015				
	Allotment of bonus shares	1,005	0.00	2,010	0.00
	At the end of the year			2,010	0.00
6.	Mr. P.V. Ramprasad Reddy	9,000,000	3.08	9,000,000	3.08
	July 22, 2015				
	Allotment of bonus shares	9,000,000	1.54	18,000,000	3.08
	At the end of the year			18,000,000	3.08
7.	Dr. D. Rajagopala Reddy	-	-	-	-
	At the end of the year	-	-	-	-
8.	Mr. M. Sitarama Murty	-	-	-	-
	At the end of the year	-	-	-	-
9.	Mr. P. Sarath Chandra Reddy	16,390	0.01	16,390	0.01
	June 19, 2015 - Transfer	-16,390	-0.01	-	-
	At the end of the year			-	-
10.	Dr. (Mrs.) Avnit Bimal Singh	-	-	-	-
	At the end of the year	-	-	-	-
	Key Managerial Personnel				
1	Mr. S. Subramanian	1,163	0.00	1,163	0.00
	July 22, 2015				
	Allotment of Bonus shares	1,163	0.00	2,326	0.00
	March 4, 2016 - Transfer	4,800	0.00	7,126	0.00
	At the end of the year			7,126	0.00
2	Mr. A. Mohan Rami Reddy	962	0.00	962	0.00
	July 22, 2015				
	Allotment of bonus shares	962	0.00	1,924	0.00
	On March 9, 2015 - Allotment under ESOP	3,126	0.00	5,050	0.00
	At the end of the year			5,050	0.00

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(₹ Million)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i. Principal amount	18,840.1	14,007.2	-	32,847.3
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	87.3	-	-	87.3
Total (i+ii+iii)	18,927.4	14,007.2	-	32,934.7
Change in indebtedness during the financial year				
• Addition	-	14,778.8	-	14,778.8
• Reduction	(6,438.6)	-	-	(6,438.6)
Net change				8,340.2
Indebtedness at the end of the financial year				
i. Principal amount	12,452.6	28,786.0	-	41,238.6
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	36.2	-	-	36.2
Total (i+ii+iii)	12,488.8	28,786.0	-	41,274.8

VI. Remuneration of Directors and Key Managerial Personnel**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

(₹ Million)

Sl. No.	Particulars of remuneration	Name				Total amount
		Mr. K. Nithyananda Reddy	Mr. N. Govindarajan	Dr. M. Sivakumaran	Mr. M. Madan Mohan Reddy	
1.	Gross salary					
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	12.34	20.98	12.34	13.17	58.83
	b. Value of perquisites under Section 17(2) of the Income Tax Act, 1961	1.97	4.55	1.97	2.07	10.56
	c. Profits in-lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-	-	-
2.	Stock option	-	400.26	-	-	400.26
3.	Sweat equity	-	-	-	-	-
4.	Commission					
	- as % of profit	-	65.00	-	-	65.00
	- others	-	-	-	-	-
5.	Others - Contribution to PF	0.02	0.02	0.02	0.02	0.08
	Total (A)	14.33	490.81	14.33	15.26	534.73
	Ceiling as per the Act (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					2,193.9

Remuneration of Directors and Key Managerial Personnel (Contd.)
B. Remuneration to other directors

(₹ Million)

Sl. No.	Particulars of remuneration	Name of Directors				Total amount
		Mr. K. Ragunathan	Mr. M. Sitarama Murty	Dr. D. Rajagopala Reddy	Dr. (Mrs.) Avnit Bimal Singh	
1.	Independent Directors					
	Fees for attending board/committee meetings	0.53	0.65	0.58	0.43	2.19
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (1)	0.53	0.65	0.58	0.43	2.19
2.	Other Non-Executive Directors					
	Fees for attending board/committee meetings	-	-			-
	Commission	-	-			-
	Others	-	-			-
	Total (2)	0.15	0.40			0.55
	Total (B) = (1+2)					2.74
	Total managerial remuneration (A+B)					537.47
	Overall Ceiling as per the Act (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					2,413.3

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ Million)

Sl. No.	Particulars of remuneration	Key Managerial Personnel		Total amount
		Company Secretary	CFO	
1.	Gross salary			
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2.47	8.78	11.25
	b. Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0.81	3.12	3.93
	c. Profits in-lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock option	1.71	-	1.71
3.	Sweat equity	-	-	-
4.	Commission	-	-	-
5.	Others - Contribution to PF	0.02	0.02	0.04
	Total	5.01	11.92	16.93

VII. Penalties/punishment/compounding of offences: Nil

Type		Section of the Companies Act	Brief description	Details of penalty/punishment/compounding fees imposed	Authority [RD/NCLT/court]	Appeal made, if any
A. Company	Penalty					
	Punishment					
	Compounding					
B. Directors	Penalty					
	Punishment					
	Compounding					
C. Other officers in default	Penalty					
	Punishment					
	Compounding					

Annexure-4

Conservation of energy, technology absorption, foreign exchange earnings and outgo

(Pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014)

A. Conservation of energy

i. Steps taken or impact on conservation of energy:

- Energy management system was initiated by corporate operational excellence with energy managers in each site to focus on energy audits and conservation schemes of each site of formulation units.
- Detailed energy audit and pumps audit successfully completed with experts in 3 major formulation units (Units 3, 7 and 12) which contribute 80% to the energy bill.
- Power balance initiative done to identify the major consumers of power with focus on running hours, efficiency and power drawn. This gave insight of pumps, blowers, chiller compressors and AHUs which needs technological solutions.
- Following energy schemes implemented and achieved 3-5% savings in each sites:
 - Daily monitoring in standard format of energy balance done for identifying losses and taking immediate actions using cross functional team.
 - Reducing the losses on Sundays or when production is minimal. 2% reduction achieved at all formulations units.
 - Use of RO water in cooling tower make up and cleaning of chiller condensers periodically as per Delta T of cooling water, improved the reliability of chillers and overall efficiency improvement in KW/TR.
 - Water management system and mapping losses done and about 300 KL/day reduction achieved by close monitoring and schemes implementation in Units 3 and 7.
- Temperature controller arrangement for cooling tower - Saving operation expenses.
- Air compressor pressure setting changed to save operational expenses.
- Arrangement of 200 Nm³/hr nitrogen compressor, reduced liquid nitrogen consumption.
- Capacitors arranged for power factor, improvement from 0.984 to 0.994.
- RT pumps 3x30 hp replaced with 1x50 hp pump, saved 29KW.
- Installation of VFDs for reactors.

- Installation of voltage stabilizers for lighting.
 - Replacement of low efficient motors with high efficient motors.
 - Timer arrangement for vacuum pump.
 - Installation of de-super heater in the turbine outlet steam line.
 - Use of energy efficient timber cooling tower as per site conditions.
- ##### ii. Steps taken by the Company for utilizing alternate sources of energy:
- LED lights replacing conventional lights in all formulation units phase-wise and in design stages of new units initiated and implemented successfully.
 - Implementation of use of solar power for all street lighting done in all new projects.
- ##### iii. Capital investment on energy conservation equipments:
- Implemented Utility Management Systems in Units 3 and 7 for all chillers and air compressors for efficiency monitoring, energy conservation and manpower productivity.
 - Installation of energy efficient pumps phase wise instead of centrifugal pumps in all cooling water and chilled water systems. This had direct impact of about 10% reduction of energy.
 - Installation of variable frequency drives in non critical areas. About 30 numbers installed as a pilot and about 24% reduction in power consumption achieved.
 - Implemented and successfully commissioned the RO system to reuse the effluent water to process and cooling towers. This saved about 100 KL/day consumption.
 - Replacement of old air compressor with new energy efficient one at Unit 1 and Unit 9.
 - Box type heat exchanger replacing convention shell & tube type heat exchanger, which resulted in electricity and time saving at Unit 1.
 - Replacing existing old cooling tower with energy efficient timber cooling tower at Units 5 and 8.
 - VFD is installed at Unit 8 with which we get power saving and quality improvement.

B. Technology absorption

Efforts made towards technology absorption:

Technology absorption is not involved as the process for manufacture of active ingredients/formulation is being developed in-house by the Company.

Benefits derived like product improvement, cost reduction, product development or import substitution:

Cost optimization initiative with respect to less expensive active ingredients, excipients, packaging materials change over in commercialized products. These will result in annualized savings worth millions of rupees when approved and implemented.

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not applicable.

Expenditure incurred on Research and Development

	₹ Million	
	2015-16	2014-15
Capital	306.6	416.4
Recurring	4,119.0	3,182.4
Total R&D expenditure	4,425.6	3,598.8
As a % of total gross turnover	4.75	4.37

C. Foreign exchange earnings and outgo

Foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows:

	₹ Million	
	2015-16	2014-15
Foreign exchange earned		
Exports	70,926.8	62,514.1
Others	88.3	98.9
	71,015.1	62,613.0
Foreign exchange outgo		
Exports	26,193.3	23,271.7
Others	2,605.1	2,056.9
	28,798.4	25,328.6

for and on behalf of the Board



K. Ragunathan
Chairman
DIN: 00523576

Hyderabad
May 30, 2016

Annexure-5 Secretarial Audit Report

For the financial year ended March 31, 2016
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

The Members,
Aurobindo Pharma Limited
CIN: L24239TG1986PLC015190
Maitri Vihar, Plot No.2, Ameerpet,
Hyderabad - 500 038, Telangana

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aurobindo Pharma Limited. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided and declarations made 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, 2016 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, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e. 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;
- vi. A.P. Shops and Establishment Act, 1988;
- vii. Employees' State Insurance Act, 1948 and the Employees' State Insurance (General) Regulations, 1950;
- viii. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' Provident Funds Scheme, 1952;
- ix. The Payment of Bonus Act, 1965 and the Payment of Bonus Rules, 1965;
- x. The Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;
- xi. Income Tax Act, 1961 and Rules made there under;
- xii. Service Tax Act, 1994 and Rules made there under;
- xiii. Drugs and Cosmetics Act, 1940;
- xiv. Narcotic Drugs and Psychotropic Substances Act, 1985;
- xv. Indian Boilers Act, 1923 (Amended 1960) and the Indian Boiler Regulations, 1950 and State Rules framed under the Act.

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 Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited;
- iii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. except some delay in filing Annual Performance Report and Foreign Assets and Liabilities Reporting with Reserve Bank of India.

I further report that 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.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that during the audit period, the Company has issued bonus shares in the ratio of 1:1.

S. Chidambaram

S. Chidambaram

Practicing Company Secretary:

Hyderabad
May 30, 2016

FCS No. 3935
C P No: 2286

Annexure-6

Annual Report on Corporate Social Responsibility

1. A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:
 - a. The CSR activities undertaken can be briefly summarized as follows:
 - Promoting education;
 - Supporting preventive healthcare;
 - Eradicating hunger, poverty & malnutrition;
 - Making available safe drinking water;
 - Encouraging environmental sustainability;
 - Ecological balance & conservation of natural resources, and
 - Sponsoring rural sports and setting up old age homes, etc.
 - b. The CSR Policy has been placed on the Company's website at: <http://www.aurobindo.com/about-us/corporate-governance>.
 - c. The annual report on the CSR activities of the Company during the year are also placed on the Company's website at: <http://www.aurobindo.com/social-responsibility/csr-activities>.

2. Composition of CSR Committee:

Name	Designation
Mr. K. Nithyananda Reddy	Chairman
Mr. K. Rangunathan	Member
Dr. M. Sivakumaran	Member
Mr. P. Sarath Chandra Reddy	Member

3. Average net profit (as per Section 198 of the Companies Act, 2013) for last three financial years: (₹)

Particulars	For the financial year		
	2014-15	2013-14	2012-13
Net profit as per Section 198 of the Companies Act, 2013 for the preceding three financial years	19,968,441,698	16,054,997,357	6,305,113,154

₹

4.
 - a. Average net profit for three years : 14,109,517,403
 - b. Prescribed CSR expenditure (2% of average net profit) : 282,190,348
5. Details of CSR spend for the financial year
 - a. Total expenditure approved by Board : 199,773,671
 - b. Total amount spent during the financial year : 187,570,230
 - c. Total sanctioned amount yet to be spent : 12,203,441
 - d. Total amount yet to be sanctioned : 82,416,677
 - e. Amount unspent for the year 2015-16 : 94,620,118
 - f. Amount unspent as on March 31, 2015 : 58,533,636
 - g. Total amount for CSR expenditure as on March 31, 2016 : 153,153,754

h. Purpose for which the amount was spent on CSR during the financial year is detailed below:

(₹)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
i.	<p>Vidya volunteers salaries, prize distribution in government schools, construction/repairing of class rooms/toilets/painting/ providing water in government schools, colleges & stadium under Swachh Bharat, construction of Government Degree College (Patancheru), distributed school bags & note books in various government schools.</p> <p>Aurobindo has donated amount towards setting up of libraries for orphans and at government high school, provided digital education in 10 schools, provided financial support for educating prisoners' children.</p> <p>Donated amount to empower women through critical knowledge about health, safety, self awareness, communication skills, etc.</p> <p>Aurobindo has donated amount towards employment enhancing vocation skills, donated amount for police constable coaching for the socially & economically backward groups, donated amount to student towards education purpose from economically back ward groups, and distributed dual desks in various government schools.</p>	Promoting education	<p>Government primary & ZP high schools in Patancheru, Hatnoor & Jinnaram Mandals, Medak District; Bachupally & Mallampet Villages, Quthubullapur Mandal, Ranga Reddy District, Telangana.</p> <p>Pydibhimavaram & surrounding villages (Srikakulam & Vizianagaram Districts) of Andhra Pradesh.</p> <p>Toilets construction at Siddipet, Sangareddy & Narsapur Mandals, Medak District, Telangana.</p> <p>Nimmada & Ranasthalam, Srikakulam District, Andhra Pradesh.</p> <p>Repairs & renovation of government school at Agasaladinni Village, Kowthalam Mandal, Kurnool District, Andhra Pradesh.</p> <p>Donated amount towards construction of school at Umayalpuram, Papanasam Taluq, Thanjavur District, Tamilnadu.</p> <p>Construction of two class rooms and erection of gate at Government High School, Polepally Village, Jedcherla Mandal, Mahboobnagar District, Telangana.</p> <p>10 orphanages located at Hyderabad, and at Pydibhimavaram, Srikakulam District, Andhra Pradesh.</p> <p>Digital education through 'Grameena Vidya' at 10 government schools in Srikakulam & Vizianagaram Districts, Andhra Pradesh.</p> <p>Central Prison, Cherlapally, Ranga Reddy District, Telangana.</p> <p>Girls studying in various government schools and hostels in Medak District of Telangana.</p> <p>Towards education & employment enhancing skills donated to 'Sundarayya Vignana Kendram,' Hyderabad.</p> <p>Police constable coaching at Kollapur, Mahboobnagar District, Telangana.</p> <p>Chintapally Village of Vizianagaram District, Andhra Pradesh, Dual desks distributed in government schools at Sircilla, Gambiraopet, Yellareddypet & Mustabad Mandals, Karimnagar District; ZPHS Doodi Venkatapur Village, Rajapet Mandal, Nalgonda District; Pulpanoor & Kasala Villages of Hatnoor Mandal, Medak District; Bachupally Village, Quthubullapur Mandal, Ranga Reddy District, Telangana.</p> <p>Vizianagaram Police School, Vizianagaram District, Andhra Pradesh.</p>	78,125,183	78,125,183	78,125,183	<p>Direct, through NGOs</p> <p>'YDO Net Work',</p> <p>'Grameena Vidya'</p> <p>'Family Eduvision Foundation'</p> <p>'Sundarayya Vignana Kendram'</p> <p>'Kollapur Study Circle' &</p> <p>'Voice 4 Girls'.</p>

(Contd.)

Purpose for which the amount was spent on CSR during the financial year is detailed (Contd.)

(₹)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
ii.	<p>Aurobindo Pharma has Donated amount to LV Prasad Eye Institute (Aurobindo Geriatric Eye Care Centre), Visakhapatnam.</p> <p>Under healthcare & sanitation, supplied bleaching powder to 30 gram panchayats, donated amount to national conference held to bring awareness on rare diseases, Aurobindo has donated towards construction & supply of medical equipment to diabetic hospital for senior citizens & socially, economically backward groups.</p> <p>Aurobindo Pharma has donated amount for providing safe drinking water, free distribution of medicines, conducting health camps.</p> <p>Donated towards rehabilitation & skill development of mentally & hearing impaired handicapped children & adults.</p> <p>Aurobindo Pharma has donated amount for purchase of air conditioned ambulance, paying maintenance expenses for two fire stations. Towards public safety supplied & installed CC cameras at various places.</p>	Promoting preventive health care & sanitation, road safety for public.	<p>LV Prasad Eye Institute, GMR Varalaxmi Campus, Visakhapatnam, Andhra Pradesh.</p> <p>Supplied bleaching powder to 30 gram panchayats in Srikakulam & Vizianagaram Districts of Andhra Pradesh.</p> <p>National conference on rare diseases, Vijayawada, Andhra Pradesh.</p> <p>Construction of Diabetic Centre, 'Dr. Jetty Sesha Reddy Memorial Trust' at Nellore District, Andhra Pradesh.</p> <p>Provided free medical camps and drinking water at Vijayawada 'Visalandhra Vignana Samithi,' Andhra Pradesh and at Nalgonda District, Telangana.</p> <p>'Lekhadeep,' located at AG's Colony, Hyderabad, Prerna Welfare Society, Malakpet, Hyderabad, Telangana.</p> <p>Provided ambulance to 'Industrial Fire Safety Association,' Pydibhimavaram Village, Ranasthalam Mandal, Srikakulam District, Andhra Pradesh.</p> <p>Paid maintenance expenses to Industrial Fire Safety Association, Gundlamachnoor Village, Hatnoor Mandal, Medak District;</p> <p>Installed CC cameras at Jedcherla town of Mahboobnagar District; Ramchandrapuram to Isnapur Cross Roads at Medak District; Banjara Hills & SR Nagar police station jurisdiction in Hyderabad and at Yadaram Junction, Shameerpet Mandal, Rangareddy District, Telangana.</p>	35,992,693	35,992,693	114,117,876	Direct and through NGO 'Dr. Jetty Sesha Reddy Memorial Trust ' 'Lekhadeep', a voluntary organisation Mallu Venkat Narsimha Reddy Vignana Kendram'
iii.	<p>Aurobindo has set up water purification project (RO) water plants with Any Time Water (ATW) cards & coin system, bore wells, sintex tanks with pipelines, 3 phase motors, RO water plants.</p> <p>Construction of sumps for drinking water purpose along with submersible motor and other accessories.</p> <p>Supplying drinking water through water tankers.</p>	Making available safe drinking water	<p>Borapatla Village, Hatnoor Mandal of Medak District, Telangana.</p> <p>RO water plant at Kamireddygaripalli Village & Post, Chitoor District & several villages of Srikakulam, Vizianagaram & Visakhapatnam Districts of Andhra Pradesh.</p> <p>Polepally Village, Jedcherla Mandal, Mahboobnagar District, Telangana.</p> <p>Pydibhimavaram and surrounding villages at Srikakulam District of Andhra Pradesh.</p> <p>Several villages in Patancheru Mandal of Medak District, Telangana.</p> <p>Installed RO water plants at Central Prison, Cherlapally, Ranga Reddy District, Telangana.</p>	14,875,687	14,875,687	128,993,563	Direct

(Contd.)

Purpose for which the amount was spent on CSR during the financial year is detailed (Contd.)

(₹)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
iv.	<p>Aurobindo distributed food items to Chennai flood victims, under disaster relief.</p> <p>Provided food items to fire accident victims at several villages.</p> <p>And under 'Bhojanamrita' feeding underprivileged people and donated amount towards construction of centralized kitchen.</p> <p>Providing free meals to in-patient attendants and poor people. Donated operation theatre table to government public health centre.</p> <p>Aurobindo has donated amount towards rehabilitation of children with special needs.</p>	Eradicating hunger, poverty, malnutrition and preventive health care	<p>Chennai city, Tamilnadu.</p> <p>Murapaka Village of Laveru Mandal, Narla & Rajam Villages, Srikakulam District, Andhra Pradesh.</p> <p>Narsingi Village, Ranga Reddy District and Sangareddy Government Hospital, Medak District, Telangana.</p> <p>Public Health Centre, Pusapatirega Village & Mandal, Vizianagaram District, Andhra Pradesh.</p> <p>Ashray-Akruti, Borabanda, Hyderabad, Telangana.</p>	27,924,000	27,924,000	156,917,563	Direct & through Hare Krishna Charitable Foundation & Ashray-Akruti
v.	Aurobindo has donated amounts to rural sportsmen & women for training in rural sports and nationally recognized sports.	Promotion of rural sports	<p>Kowkuntla Village, Chevella Mandal, Ranga Reddy District, Telangana.</p> <p>Kothapalli Village, Kothamunchur Post, Valmikipuram Mandal, Chittoor District, Andhra Pradesh and Moti Nagar, Hyderabad, Telangana.</p>	1,725,000	1,725,000	158,642,563	Direct
vi.	<p>Under 'Haritha Haram' Programme planted trees, erected cement & plastic tree guards and maintenance of plants.</p> <p>Aurobindo has donated amount to Sri Venugopaldaswami Mandir Goshala towards animal welfare</p>	Environmental sustainability, ecological balance & conservation of natural resources & animal welfare.	<p>Plastic tree guards erected at Sangareddy, Siddipet & Gajwel Mandals in Medak District; iron tree guards erected at several villages in Sircilla Mandal, Karimnagar District, Planted trees & erected tree guards at Borapatla, Gundlamachnoor Villages of Hatnoor Mandal, Pashamylaram Village of Patancheru Mandal, & at Polepally Village of Mahboobnagar District Telangana. Planted trees and erected cement tree guards in Pydibhimavaram Village of Srikakulam District and Madhurawada area of Visakhapatnam District of Andhra Pradesh.</p> <p>Donated to 'Sri Venugopala Swami Mandir' Goshala located at Janwada Village, Shankarpalli Mandal, Ranga Reddy District, Telangana.</p>	7,951,922	7,951,922	166,594,485	Direct
vii.	Contribution towards old age home expansion 'Sai Krupa'- a home for the aged.	Setting up of Old age homes	'Sai Krupa' - home for the aged, located at Kummarapalli Village, Chittoor District, Andhra Pradesh.	900,000	900,000	167,494,485	Sri Srinivasa Charitable Trust

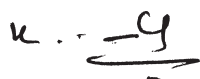
(Contd.)

Purpose for which the amount was spent on CSR during the financial year is detailed (Contd.)

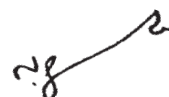
(₹)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
viii.	Laying/widening/repairing of rural roads and construction of village sewage water drainage system in several villages towards rural development. Provided drinking water facility and donated amount towards skill development & employment enhancing programs for the rural youth, donated towards free education & free meals to children studying in rural areas, and conducted surveys for need assessment in two villages for adopting them.	Rural Development Projects	Road from Narsapur Road to Borapatla Village & at Gundlamachnoor Village of Hatnoor Mandal, Repairing of roads at Ismailkhanpet, Sangareddy Mandal and at Isnapur Village, Patancheru Mandal, Medak District, Telangana. Laying/widening of roads & construction of drains from Pydibhimavaram to Saragadapeta, Ranasthalam Mandal, Srikakulam District of Andhra Pradesh; Skill development for rural youth at Kollapur, Mahboobnagar District & 'Navachethana Vignana Samithi' Nagole, Hyderabad. 'Jasthi Venkataiah Memorial Development Trust', located at Anantapur District, Andhra Pradesh; Need assessment surveys done at Borapatla and Peyyalapalem Villages in Medak district, Telangana and Nellore district of Andhra Pradesh.	14,372,716	14,372,716	181,867,201	Direct and through NGOs 'Kollapur Study and Skill Development Society' and 'Jasthi Venkataiah Memorial Development Trust'.
ix.	Salaries paid by Aurobindo Pharma to CSR staff exclusively working on CSR activities.	CSR expenditure	Covering all the Aurobindo Pharma Limited, India offices and facilities.	5,703,029	5,703,029	187,570,230	Direct
	TOTAL			187,570,230	187,570,230	187,570,230	

6. The Company could not spend entire two per cent of average net profits of the last three financial years. Out of the sanctioned amounts, some of the works are ongoing projects and once the works are completed the committed amounts will be released. This entire sanctioned amount will be spent during the financial year 2016-17. The Company is making efforts to identify the projects for spending the not-sanctioned unspent amount and the same will be spent this current financial year 2016-17 along with the amount to be spent for the financial year 2015-16.
7. We hereby confirm that the implementation and monitoring of CSR activities is in compliance with CSR objectives and policy of the Company.



K. Nithyananda Reddy
Chairman of the CSR Committee
DIN: 01284195



N. Govindarajan
Managing Director
DIN: 00050482

Hyderabad
May 30, 2016

Annexure-7

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year

	Name & designation	Ratio
a.	Mr. K. Nithyananda Reddy, Vice Chairman & Whole-time Director	43:1
b.	Mr. N. Govindarajan, Managing Director	269:1
c.	Dr. M. Sivakumaran, Whole-time Director	43:1
d.	Mr. M. Madan Mohan Reddy, Whole-time Director	45:1

- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year

	Name & designation	Increment percentage
a.	Mr. K. Nithyananda Reddy, Vice Chairman & Whole-time Director	36.94
b.	Mr. N. Govindarajan, Managing Director	51.79
c.	Dr. M. Sivakumaran, Whole-time Director	36.92
d.	Mr. M. Madan Mohan Reddy, Whole-time Director	45.48
e.	Mr. S. Subramanian, Chief Financial Officer	35.78
f.	Mr. A. Mohan Rami Reddy, VP (Legal) & Company Secretary	-15.40

- iii. The percentage increase in the median remuneration of employees in the financial year was 11.42%.

- iv. The number of permanent employees on the rolls of the Company as on March 31, 2016 was 13,288.

- v. The explanation on the relationship between average increase in remuneration and Company performance:

Average increase in remuneration: 17.55%

Increase in net profit of the Company: 6.81%

- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Increase in remuneration of KMPs: 44.27%

Increase in net profit of the Company: 6.81%

- vii. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase/decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	As at March 31, 2016		As at March 31, 2015	
	BSE	435,951	BSE	356,277
Market capitalization (₹ Million)	NSE	435,893	NSE	356,686
Price earning multiple	BSE	26.87	BSE	23.46
	NSE	26.86	NSE	23.49

Market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer

The Company came out with an Initial Public Offer in the year 1994 at the price of ₹180 per equity share of ₹10 each. As on March 31, 2016 the market quotation of the Company's Share of ₹1 each (Closing price) is as under:

BSE Limited: ₹745.00

The National Stock Exchange of India Limited: ₹744.90

- viii. 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 percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 17.55% as against 44.27% increase in the salaries of managerial persons. The increase in salary in case of managerial persons is mainly on account of re-appointment with revision in the salary.

- ix. Comparison of remuneration of each of the Key Managerial Personnel with the performance of the Company:

	Name & designation	Increment percentage in remuneration	Performance of the Company for the year ended March 31, 2016
a.	Mr. K. Nithyananda Reddy, Vice Chairman & Whole-time Director	36.94	Net profit of the Company increased by 6.81%
b.	Mr. N. Govindarajan, Managing Director	51.79	
c.	Dr. M. Sivakumaran, Whole-time Director	36.92	
d.	Mr. M. Madan Mohan Reddy, Whole-time Director	45.48	
e.	Mr. S. Subramanian, Chief Financial Officer	35.78	
f.	Mr. A. Mohan Rami Reddy, VP(Legal) & Company Secretary	-15.40	

- x. The key parameters for any variable component of remuneration availed by the Directors:

No variable component of remuneration availed by directors except Managing Director. In addition to the salary, the Managing Director is paid commission up to 1% of the net profit of the Company subject to a ceiling of ₹9 crore for each financial year.

The key parameters are Company performance, periodical reviews, skills and competence, etc.

- xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Nil

- xii. The remuneration paid to Key Managerial Persons is as per the remuneration policy of the Company.

Annexure-7 (Contd.)

Financial year 2015-16

Sr. No.	Name	Designation	Remuneration received (₹ Million)	Qualification & Experience	Date of Commencement of employment	Age (Years)	The last employment held by such employee before joining the Company
1.	Mr. K. Nityananda Reddy	Vice Chairman & Whole-time Director	14.33	M.Sc., 29 years	January 1, 1989	58	Tini Pharma Limited
2.	Mr. N. Govindarajan	Managing Director	90.55	B.E., 26 years	October 7, 2010	47	Shasun Chemicals & Drugs Limited
3.	Dr. M. Sivakumaran	Whole-time Director	14.33	M.Sc., PhD., 43 years	January 1, 1989	73	TTK Pharma Limited
4.	Mr. M. Madan Mohan Reddy	Whole-time Director	15.26	M.Sc., 26 years	May 27, 2003	56	Ranit Pharma Limited
5.	Mr. G. Bhaskar Reddy	Associate Vice President - Operations	6.71	B.Pharm., 20 years	June 8, 1995	45	Rhomac Lab Private Limited
6.	Dr. V. K. Handa	President - Chemical Research	18.68	PhD, 33 years	January 1, 1999	64	Ranbaxy Research Laboratories
7.	Dr. Sharma Hemant Kumar	Senior Vice President - ARD	6.36	PhD, 22 years	July 14, 2000	48	Ranbaxy Research Laboratories
8.	Dr. A. Rama Mohana Rao	President - Corporate QA	13.70	PhD, 28 years	May 7, 2001	54	Biological E Limited
9.	Mr. Jain Anil Kumar*	Chief Operating Officer	2.91	B.Tech., M.Tech., 24 years	July 9, 2002	49	Alembic Limited
10.	Dr. A. T. Bapuji	Senior Vice President - CPD-Bio	7.32	PhD, 24 years	October 25, 2004	49	Ranbaxy Research Laboratories
11.	Mr. Sudhir B. Singhi	Head - Global Finance Operations	8.76	B.Com., C.A., I.C.W.A.I., 27 years	March 23, 2005	47	Procon Financials and Investments Private Limited
12.	Mr. V. Naga Prasad	Associate President - FRD	8.41	M.Pharm., 24 years	March 16, 2006	49	Ranbaxy Research Laboratories
13.	Mr. M. Venkateswar Rao	Associate Vice President - O.A.	6.19	M.Pharm., 17 years	July 6, 2006	45	Ranbaxy Laboratories Limited
14.	Mr. Singh Sanjay*	Senior Vice President - Operations	5.20	M.B.A., 26 years	March 28, 2011	50	Cipla Limited
15.	Dr. Karaji Jayant	President - FRD	13.09	M.Pharm., PhD, 25 years	September 2, 2011	49	Famy Care Limited
16.	Mr. Vasudeva Arvind*	Chief Executive Officer - Operations	6.04	M.Pharm., 33 years	November 22, 2012	56	Glennmark Pharma Limited
17.	Dr. T. Chandiran	Senior Vice President - CRD	6.58	M.Sc., PhD, 23 years	December 13, 2012	52	Makhteshim-Agan India Private Limited
18.	Mr. Vaidyanathan Srinivasan*	Senior Vice President - Supply Chain Management	5.66	B.Tech., 33 years	March 13, 2013	57	Glennmark Pharma Limited
19.	Mr. Natarajan Vijay *	Senior Vice President - Operations	1.82	M.Tech, M.B.A., 23 years	July 6, 2015	47	Dr. Reddy's Laboratories Limited
20.	Mr. S. Subramanian	Chief Financial Officer	11.92	B.Sc., C.A., C.S., I.C.W.A.I., 30 years	November 1, 2013	55	RSB Global
21.	Mr. Shastry Mukund Ramaswamy	Vice President - Business Development	7.79	P.G.D.M., 24 years	April 10, 2014	45	Glennmark Pharmaceuticals Limited
22.	Dr. Chaturvedi Sanjay*	Senior Vice President - Marketing	3.79	M.Sc., PhD, 20 years	May 30, 2014	46	IZEE Pharma
23.	Dr. T. V. S. K. Vittal	Senior Vice President - CRD	7.80	PhD, 24 years	October 15, 2014	46	Sai Life Sciences Limited
24.	Mr. Seth Jatin	Vice President - Supply Chain Management	6.40	PG Diploma, 20 years	November 7, 2014	44	Cadila Laboratories Limited
25.	Mr. Shastri Atul Sadashiv	Associate President - Operations	20.01	M.Pharm., 26 years	December 8, 2014	50	Ranbaxy Laboratories Limited
26.	Mr. Aravindan Raghavan*	Associate Vice President - Operational Excellence	4.57	B.Tech., 24 years	June 5, 2015	46	Piramal Healthcare Limited
27.	Mr. Sanjeev Indravadan Dani*	Chief Operating Officer - Head Formulations	22.20	B.Pharm., M.B.A., 32 years	July 9, 2015	56	Ranbaxy Laboratories Limited
28.	Mr. Nurangi Hariharan Kalyanakrishnan*	Senior Vice President - Supply Chain Management	5.08	M.B.A., M.Sc., 29 years	August 10, 15	56	Ranbaxy Laboratories Limited
29.	Mr. Satnam Singh Loomba*	Senior Vice President - Operations	3.34	B.Tech., 25 years	December 1, 2015	48	Sun Pharmaceutical Industries Limited
30.	Dr. Nilendu Sen*	Vice President - R&D	4.07	M.Pharm., PhD., 20 years	December 9, 2015	46	Zydus Cadila Limited
31.	Dr. Mangesh Manohar Borkar*	Senior Vice President - Operations	2.22	M.Pharm., PhD, 24 years	December 15, 2015	49	Pfizer Limited
32.	Mr. Ashok Kumar Saxena*	Senior Vice President - Operations	2.93	B.Pharm., P.G.D.M., 24 years	December 17, 2015	46	Shaline Healthcare, Dubai
33.	Mr. Sudhanshu Radhakrishna Kamat*	Vice President - Business Development	1.27	B.Com., 25 years	February 1, 2016	51	Mylan Laboratories Limited
34.	Dr. Makkapati Satakarni*	President - Biologics	6.77	B.Tech., PhD, 9 years	February 3, 2016	35	Intas Pharma Limited

Note: 1. Gross remuneration includes salary, taxable allowances, commission, value of perquisites as per the Income Tax Rules, 1962 and Company contribution to provident fund.

2. Nature of employment and duties: Contractual and in accordance with terms and conditions as per Company's rules.

3. No employee is a relative of any director or Key Managerial Personnel of the Company except Mr. K. Nityananda Reddy, who is a relative of Mr. P. Sarath Chandra Reddy, Director of the Company.

4. The percentage of equity shares held by each of the employee in the Company within the meaning of clause (iii) of sub-rule (2) of Rule 5 is not applicable.

* Employed for the part of the financial year.

for and on behalf of the Board

K. Ragunathan
K. Ragunathan
Chairman

DIN: 00523576

Hyderabad

May 30, 2016



Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Aurobindo has always attached great importance to good and responsible corporate governance. The Company belongs to all the stakeholders and the corporate objective is to maximize shareholder value ethically and legally. Efforts are therefore made to raise the level of transparency, trust and confidence of stakeholders in the way the Company is run. The team at Aurobindo operates as a trustee on behalf of every shareholder - large or small.

The Company will continue to strive to be a wealth creator to meet stakeholder expectations and be a responsible citizen in its societal commitments. In the achievement of its goals, the Company utilizes its resources with accountability and professionalism to meet the needs of customers and deliver on their expectations; meet the commitments with vendors, partners, employees, governments and the community.

BOARD OF DIRECTORS

The Board of Directors guides, directs and oversees the management and protects long-term interests of shareholders, employees and the society, at large. The Board also ensures compliance of the applicable provisions and code of ethical standards wherever the Company and its subsidiaries are present.

Size and Composition of the Board

As on March 31, 2016 the Board consists of ten Directors. Four of them are Executive and six are Non-Executive Directors. Your Company has taken all necessary steps to strengthen the Board with optimum combination of executive and non-executive/independent directors.

Composition of Board of Directors as on March 31, 2016

Name	Category	Number of Board Meetings attended	Attendance at the last AGM held on August 27, 2015	Number of directorships in other companies*	Number of committee positions held in other companies**		No. of shares of ₹1 each held in the Company
					Chairman	Member	
Mr. K. Ragunathan	Non-Executive Independent	5	Yes	1	-	-	-
Mr. K. Nithyananda Reddy	Promoter and Executive	6	Yes	9	-	4	27,524,700
Mr. N. Govindarajan	Executive	6	Yes	5	-	-	750,000
Dr. M. Sivakumaran	Executive	6	Yes	4	-	-	14,691,360
Mr. M. Madan Mohan Reddy	Executive	6	Yes	9	-	1	2,010
Mr. P.V. Ramprasad Reddy	Promoter and Non-Executive	3	No	3	-	-	18,000,000
Mr. P. Sarath Chandra Reddy***	Promoter and Non-Executive	5	Yes	8	-	2	-
Mr. M. Sitarama Murty	Non-Executive Independent	6	Yes	1	1	-	-
Dr. D. Rajagopala Reddy	Non-Executive Independent	5	Yes	2	-	-	-
Dr. (Mrs.) Avnit Bimal Singh	Non-Executive Independent	6	Yes	-	-	-	-

* The directorships are in the companies incorporated under the Companies Act, 1956/2013.

** Includes only audit and stakeholders relationship committee

*** Mr. P. Sarath Chandra Reddy has been appointed as Whole-time Director of the Company with effect from June 1, 2016 and the category will change accordingly as Promoter and Executive.

Note: Leave of absence was granted on request to those directors who could not attend the meeting(s).

During the year, six Board Meetings were held on the following dates:

Date of meeting	Board strength	No. of Directors present
May 28, 2015	10	9
August 12, 2015	10	10
October 5, 2015	10	9
November 6, 2015	10	8
December 23, 2015	10	8
February 9, 2016	10	10

Disclosure of relationships between directors inter-se

Mr. P. Sarath Chandra Reddy, Non-Executive and Non-Independent Director of the Company is son of Mr. P.V. Ramprasad Reddy, Director and son-in-law of Mr. K. Nithyananda Reddy, Vice Chairman. Other than Mr. P. Sarath Chandra Reddy, Mr. P.V. Ramprasad Reddy and Mr. K. Nithyananda Reddy, none of the Directors are related to any other Director.

Details about familiarization program

Senior management personnel of the Company make presentations to the Board Members on periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives etc. and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and senior management personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on Material Subsidiaries, Whistle Blower Policy, Risk Management Policy, Corporate Social Responsibility Policy etc.

The details of the familiarization program are placed on the Company's website at: <http://www.aurobindo.com/aboutus/corporate-governance>

Details of Directors proposed for re-appointment at the Annual General Meeting

Mr. K. Nithyananda Reddy and Mr. M. Madan Mohan Reddy retire by rotation and being eligible, seek re-appointment. Mr. P. Sarath Chandra Reddy is proposed to be appointed as a Whole-time Director.

Mr. K. Nithyananda Reddy, aged 58 years, presently is a Whole-time Director designated as Vice Chairman of the Company. He holds a Master's Degree in Science (Organic Chemistry) and has been associated with the Company from the initial days as a promoter, and is well versed with manufacturing technologies, systems, processes and controls. He is a Director on the boards of the subsidiaries of Aurobindo Pharma Limited viz. APL Healthcare Limited, APL Research Centre Limited, Auro Peptides Limited, Aurobindo Antibiotics Limited, AuroZymes Limited, Auronext Pharma Private Limited, Silicon Life Sciences Private Limited and Hyacinths Pharma Private Limited as well as Patancheru Envirotech Limited. He holds 27,524,700 equity shares of ₹1 each in the Company.

Mr. M. Madan Mohan Reddy, aged 56 years, presently is a Whole-time Director of the Company. He has a Master's Degree in Science (Organic

Chemistry) and held top managerial positions in leading pharmaceutical companies. He commands 26 years of valuable experience in the pharmaceutical industry. He is a Director on the boards of the subsidiaries of Aurobindo Pharma Limited viz. Eugia Pharma Specialities Limited, Curepro Parenterals Limited, APL Research Centre Limited, Aurobindo Antibiotics Limited, AuroZymes Limited and also is a Director on the boards of Pravesha Industries Private Limited, Cogent Glass Limited, Crest Cellulose Private Limited and Oremsi Plastics Private Limited. He holds 2,010 equity shares of ₹1 each in the Company.

Mr. P. Sarath Chandra Reddy, aged 31 years, is a graduate in Business Administration. He is a second generation entrepreneur experienced in general management and has expertise in project executions, IT, procurement, etc. He is presently Director of PVR Holdings Private Limited. He is also a director in subsidiary companies of Aurobindo Pharma Limited viz., APL Health Care Limited, Auro Peptides Limited, Curepro Parenterals Limited, Auronext Pharma Private Limited and Tergene Biotech Private Limited. He does not hold any shares in the Company.

AUDIT COMMITTEE

The scope and function of the Audit Committee is to regularly review the internal control, systems and procedures, accounting policies and other matters that protect the interest of the stakeholders, ensure compliance with the laws of the land, and monitor with a view to provide effective supervision of the management's processes, ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting. The composition, procedures, powers and role/functions of the Audit Committee constituted by the Company comply with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

Role of Audit Committee**The role of the Audit Committee includes the following:**

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - ◆ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - ◆ Changes, if any, 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;
- ◆ Compliance with listing and other legal requirements relating to financial statements;
- ◆ Disclosure of any related party transactions;
- ◆ Qualifications in the draft audit report;
- Review, with the management, the quarterly financial statements before submission to the Board for approval;
- Review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Review, with the management, performance of statutory and internal auditors, adequacy of the internal financial control systems;
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon;
- 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;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Examine into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Review the functioning of the Whistle Blower mechanism;

- Approval of appointment of CFO (i.e. the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carry out any other function as is mentioned in the terms of reference of the Audit Committee under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

Composition and other details of Audit Committee

The Audit Committee comprises of three Non-Executive Directors, all of them being independent directors. The heads of finance & accounts, internal auditors and the representative of the statutory auditors are invitees to the meetings of the Audit Committee. The Company Secretary is the Secretary to the Committee. The representative of the Cost Auditors is also invited to the meetings of Audit Committee whenever matters relating to cost audit are considered.

Mr. M. Sitarama Murty, Chairman of the Committee, is a Non-Executive, Independent Director having expertise in accounting and financial management. Mr. K. Ragunathan and Dr. D. Rajagopala Reddy are the members of the Committee.

During the year, the Audit Committee met six times on May 28, 2015; August 12, 2015; November 6, 2015; December 3, 2015; February 9, 2016 and March 29, 2016.

The attendance at the Audit Committee meetings during the financial year 2015-16 is as under:

Name of the Committee Member	No. of meetings	Attendance
Mr. M. Sitarama Murty	6	6
Mr. K. Ragunathan	6	6
Dr. D. Rajagopala Reddy	6	5

NOMINATION AND REMUNERATION/COMPENSATION COMMITTEE

Brief description of terms of reference of the Nomination and Remuneration/Compensation Committee

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- Carry out evaluation of every director's performance;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- Formulation of the criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Grant of options to eligible employees and administering the employee stock option scheme of the Company;
- Any other matter as the Board may decide from time to time.

Composition and other details of Nomination and Remuneration/ Compensation Committee

The composition of the Nomination and Remuneration/Compensation Committee comprises of three Non-Executive Directors; all of them are independent directors.

Dr. D. Rajagopala Reddy is the Chairman of the Committee and Mr. M. Sitarama Murty and Dr. (Mrs.) Avnit Bimal Singh are other Members of the Committee. During the year, the Nomination and Remuneration/Compensation Committee met five times on May 28, 2015; August 12, 2015; January 19, 2016; February 9, 2016 and March 9, 2016.

Meetings and attendance during the year

The attendance at the Nomination and Remuneration/Compensation Committee meetings during the financial year 2015-16 is as under:

Name of the Committee Member	No. of meetings	Attendance
Dr. D. Rajagopala Reddy	5	5
Mr. M. Sitarama Murty	5	5
Mr. K. Ragunathan ¹	5	1
Dr. (Mrs.) Avnit Bimal Singh ²	5	4

Note: ¹ Mr. K. Ragunathan ceased to be a member of the Nomination and Remuneration/Compensation Committee from May 28, 2015. He attended one meeting held during his tenure.

² Dr. (Mrs.) Avnit Bimal Singh was appointed as a member of Nomination and Remuneration/Compensation Committee with effect from May 28, 2015. She attended four meetings held after her appointment.

a. Executive Directors

Name	Salary	Benefits (Perquisites)	Bonus	Pension	Commission	Contribution to P.F	Total
Mr. K. Nithyananda Reddy	12,333,330	1,970,914	-	-	-	21,600	14,325,844
Dr. M. Sivakumaran	12,333,330	1,979,858	-	-	-	21,600	14,334,788
Mr. M. Madan Mohan Reddy	13,166,663	2,074,978	-	-	-	21,600	15,263,241
Mr. N. Govindarajan	20,977,580	4,547,546	-	-	65,000,000	21,600	90,546,726
TOTAL	58,810,903	10,573,296	-	-	65,000,000	86,400	134,470,599

All the above Executive Directors were re-appointed with effect from June 1, 2015 for a period of 3 years on the terms and conditions contained in the respective resolutions passed by the Members at the General Meetings. The notice period is as per the rules of the Company. There was no severance fee.

Mr. N. Govindarajan, Managing Director was granted 500,000 options under Employee Stock Option Plan (ESOP) of the Company which would entitle him to convert the same into 500,000 equity shares of ₹1 each. 250,000 options were added to the outstanding options granted to Mr. N. Govindarajan on adjustment of bonus shares in the ratio of 1:1 allotted to the Members on July 22, 2015. Mr. N. Govindarajan exercised entire options granted and vested and no options were outstanding out of the options granted to him as on March 31, 2016. No other directors were granted options under ESOP.

Nomination/Remuneration Policy

The compensation of the Executive Directors comprises of fixed component, perquisites and commission and is determined based on the remuneration prevailing in the industry and the performance of the Company.

The remuneration package of the Executive Directors is periodically reviewed and suitable revision is recommended to the Board by the Committee.

The Non-Executive Directors are paid sitting fees for attending meetings of Board/Committee.

The nomination and remuneration policy as adopted by the Board is placed on the Company's website at: <http://www.aurobindo.com/about-us/corporate-governance>.

Performance evaluation criteria for independent directors

The performance evaluation is done on an annual basis. Each Director is provided an evaluation sheet in the form of questionnaire. The ratings are provided by the all the Directors except the Independent Director being evaluated.

On the basis of the report of performance evaluation, it is determined by the Nomination and Remuneration/Compensation Committee and Board whether to extend or continue the term of appointment of Independent Director subject to all other applicable provisions.

REMUNERATION OF DIRECTORS

Details of remuneration paid to Directors during the financial year 2015-16 are as follows:

₹

Name	Salary	Benefits (Perquisites)	Bonus	Pension	Commission	Contribution to P.F	Total
Mr. K. Nithyananda Reddy	12,333,330	1,970,914	-	-	-	21,600	14,325,844
Dr. M. Sivakumaran	12,333,330	1,979,858	-	-	-	21,600	14,334,788
Mr. M. Madan Mohan Reddy	13,166,663	2,074,978	-	-	-	21,600	15,263,241
Mr. N. Govindarajan	20,977,580	4,547,546	-	-	65,000,000	21,600	90,546,726
TOTAL	58,810,903	10,573,296	-	-	65,000,000	86,400	134,470,599

b. Non-Executive Directors

Non-Executive Directors are paid sitting fee of ₹50,000 for attending each meeting of the Board of Directors and ₹25,000 for each meeting of the Committees of Board of Directors. During the year, the sitting fees paid was as follows:

Name	Sitting fee
Mr. M. Sitarama Murty	650,000
Mr. P. Sarath Chandra Reddy	400,000
Mr. K. Ragunathan	525,000
Dr. D. Rajagopala Reddy	575,000
Dr. (Mrs.) Avnit Bimal Singh	425,000
Mr. P.V. Ramprasad Reddy	150,000

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition

Mr. P. Sarath Chandra Reddy, a Non-Executive Director is the Chairman of the Committee and Mr. K. Nithyananda Reddy, Mr. M. Madan Mohan Reddy and Dr. D. Rajagopala Reddy are the other members of the Committee.

Dr. D. Rajagopala Reddy has become the Chairman of the Committee with effect from May 30, 2016.

Terms of reference

Stakeholders Relationship Committee considers and resolves all matters of grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual reports and dividends, issue of duplicate share certificates etc.

Name and designation of Compliance Officer

Mr. A. Mohan Rami Reddy, Vice President (Legal) & Company Secretary

E-mail ID for investor grievances: ig@aurobindo.com

Investor Complaints

During the year ended March 31, 2016, the Company has received and

resolved 78 complaints. All complaints were resolved to the satisfaction of Members and there were no pending complaints at the year end.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As per the Companies Act, 2013, the Company is required to constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more directors, at least one of whom will be an independent director. The constitution of CSR Committee is as under:

Mr. K. Nithyananda Reddy, Chairman

Mr. K. Ragunathan, Member

Dr. M. Sivakumaran, Member

Mr. P. Sarath Chandra Reddy, Member

The purpose of the Committee is to formulate CSR Policy of the Company and monitor its implementation.

The CSR Policy has been placed on the Company's website at: <http://www.aurobindo.com/about-us/corporate-governance>.

The annual report on the CSR activities of the Company during the year is also placed on the Company's website at: <http://www.aurobindo.com/social-responsibility/csr-activities>.

GENERAL BODY MEETINGS

1. Details of the last three Annual General Meetings are as under:

Year	Location	Date	Time	No. of Special Resolutions passed
2013	Taj Deccan, Hyderabad	August 7, 2013	4.00 p.m.	Nil
2014	Taj Deccan, Hyderabad	August 27, 2014	4.00 p.m.	Nil
2015	Taj Deccan, Hyderabad	August 27, 2015	3.00 p.m.	1

An Extraordinary General Meeting of Members of the Company was held on Thursday, July 9, 2015 wherein the Members have approved two Special Resolutions.

- Adoption of new set of Articles as per the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 and rules made there under and other applicable acts, rules and regulations to substitute the regulations contained in the existing Articles of Association of the Company.
- Pursuant to the provisions of Section 63 and other applicable provisions of the Companies Act, 2013 and rules made there under and other applicable acts, rules and regulations to issue bonus shares.

2. Special Resolution passed during the year through postal ballot:

A Special Resolution was passed through postal ballot vide notice dated November 6, 2015 to seek approval of Members for authorization to the Board of Directors pursuant to Sections 23, 41, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any amendments thereto or re-enactment thereof) to issue and allot securities to such categories of persons including employees in one or more tranches in domestic and/or international for a value of up to USD 600 million.

The details of voting pattern for postal ballot are given below:

Category	Mode of voting	No. of shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3)=[(2)/(1)]*100	No. of votes - in favour (4)	No. of votes against (5)	% of votes - in favour on votes polled (6)=[(4)/(2)]*100	% of votes against on votes polled (7)=[(5)/(2)]*100
Promoter and promoter group	E-Voting Poll	314,851,572	314,844,192	99.99	314,844,192	-	100.00	-
	Postal ballot	-	-	-	-	-	-	-
	Total	314,851,572	314,844,192	99.99	314,844,192	-	100.00	-
Public - Institutions	E-Voting Poll	205,925,558	151,583,839	73.60	151,479,270	90,507	99.94	0.06
	Postal ballot	-	-	-	-	-	-	-
	Total	205,925,558	151,583,839	73.60	151,479,270	90,507	99.94	0.06
Public-Non-Institutions	E-Voting Poll	63,187,420	446,406	0.71	446,346	16	99.99	0.01
	Postal ballot	-	121,843	0.19	116,759	2,044	98.28	1.72
	Total	63,187,420	568,249	0.90	563,105	2,060	99.64	0.36
TOTAL		583,964,550	466,996,280*	79.97	466,886,567	92567	99.98	0.02

*Out of which 17,146 votes were invalid

The Board appointed Mr. S. Chidambaram, Company Secretary in Practice (C.P. No.2286) as a Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner.

The Company followed the procedure for postal ballot as per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The scrutinizer submitted a report to the Chairman stating that the resolution has been duly passed by the Members with requisite majority.

MEANS OF COMMUNICATION

The Company has a website www.aurobindo.com. The quarterly and half yearly financial statements are not sent to the individual households of the Members; however, the same are placed on the Company's website for the information of Members and general public and also published in leading newspapers in English and Telugu (Regional language). Further, all material information which has some bearing on the operations of the Company is sent to the stock exchanges and also placed on the Company's website.

The presentations made to the investors and analysts are placed on the Company's website.

The Management Discussion and Analysis forms part of this Report and is provided separately in the Annual Report.

GENERAL SHAREHOLDERS INFORMATION

29th Annual General Meeting

As mentioned in the Notice, the 29th Annual General Meeting of the

Company will be held on Wednesday, August 24, 2016 at 3.30 p.m. at Hotel Taj Krishna, Road No. 1, Banjara Hills, Hyderabad - 500 034.

Financial year

The financial year of the Company is April to March.

Financial calendar (tentative and subject to change) of the financial year 2016-17 is as follows:

Unaudited financial results for	Declaration on or before
1st quarter	August 14, 2016
2nd quarter	November 14, 2016
3rd quarter	February 14, 2017
4th quarter	May 30, 2017

Payment of dividend

The Company has paid interim dividend of 50% (₹0.50 per equity share of ₹1 each) in the month of September 2015, second interim dividend of 60% (₹0.60 per equity share of ₹1 each) in the month of November, 2015 and third interim dividend of 70% (₹0.70 per equity share of ₹1 each) in the month of March, 2016 on the equity share capital of the Company for the year 2015-16. The Board of Directors of the Company at its meeting held on May 30, 2016 has approved fourth interim dividend of 70% (₹0.70 per equity share of ₹1 each) on the equity share capital of the Company for the year 2015-16. Thus, the total dividend, including the fourth interim dividend for the year ended March 31, 2016 will aggregate to 250% (₹2.50 per equity share of ₹1 each) on the equity share capital of the Company for the year 2015-16. The Board of Directors has not recommended any further dividend for the year 2015-16.

Name and address of each stock exchange(s) at which the shares are listed

The Company's shares are listed on the following stock exchanges:

Stock Exchanges	Stock Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai - 400 001	524804
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	AUROPHARMA

Listing fees for the financial year 2016-17 has been paid to the above stock exchanges.

ISIN: INE406A01037

Market price data

High, low market price during each month in the financial year and volume of shares traded on NSE

Year	Month	NSE (₹)			Volume	S & P CNX Nifty	
		High	Low	Close		High	Low
2015	April	1,432.20	1,177.50	1,285.65	33,292,962	8844.80	8144.75
	May	1,412.00	1,209.05	1,374.20	27,532,341	8489.55	7997.15
	June	1,462.80	1,240.10	1,452.00	25,842,918	8467.15	7940.30
	July	1,535.00	715.00	759.90	29,187,592	8654.75	8315.40
	August	832.20	645.45	753.00	45,994,650	8621.55	7667.25
	September	770.60	675.00	769.20	39,515,065	8055.00	7539.50
	October	861.55	732.50	835.95	33,084,993	8336.30	7930.65
	November	859.70	794.55	809.75	25,375,241	8116.10	7714.15
	December	891.50	781.20	875.95	32,541,602	7979.30	7551.05
	2016	January	886.00	766.20	834.25	30,253,415	7972.55
February		820.50	582.00	655.65	84,973,021	7600.45	6825.80
March		761.95	645.80	744.90	48,779,329	7777.60	7035.10

High, low market price during each month in the financial year and volume of shares traded on BSE

Year	Month	BSE (₹)			Volume	BSE Sensex	
		High	Low	Close		High	Low
2015	April	1,432.10	1,180.00	1,283.85	32,07,909	29094.61	26897.54
	May	1,412.00	1,211.75	1,374.95	26,23,495	28071.16	26423.99
	June	1,470.35	1,241.35	1,449.75	25,88,053	27968.75	26307.07
	July	1,540.55	715.00	758.50	44,23,770	28578.33	27416.39
	August	832.50	646.20	753.90	44,98,146	28417.59	25298.42
	September	769.70	675.15	768.10	36,13,070	26471.82	24833.54
	October	860.80	732.60	834.90	27,54,025	27618.14	26168.71
	November	859.50	790.00	810.65	21,32,647	26824.30	25451.42
	December	891.50	781.20	875.40	22,62,354	26256.42	24867.73
	2016	January	886.00	768.00	833.25	21,44,017	26197.27
February		824.50	582.00	655.15	70,00,482	25002.32	22494.61
March		761.30	646.25	745.00	43,11,688	23133.18	25341.86

There was no suspension of trading in securities of the Company during the year under review.

Registrar to an issue and share transfer agents

M/s. Karvy Computershare Private Limited (Karvy) is the Registrars & Share Transfer Agents and Depository Transfer Agents of the Company. Any request pertaining to investor relations may be forwarded to the following address:

Ms. C. Shobha Anand
 Karvy Computershare Private Limited
 Unit: Aurobindo Pharma Limited
 Karvy Selenium, Tower B, Plot No.31-32,
 Gachibowli, Financial District, Nanakramguda,
 Hyderabad - 500 032
 Phone : +91 40 6716 2222
 Fax : +91 40 2300 1153
 E-mail : einward.ris@karvy.com

Share transfer system and dematerialization of shares and liquidity

The Company's shares are covered under the compulsory dematerialization list and are transferable through the depository system. The Company has appointed Karvy as its Registrars and Share Transfer Agents and also Depository Transfer Agent. Shares received for physical transfer are generally registered within a period of 15 days from the date of receipt, subject to fulfillment of other legal formalities. The Compliance Officer has been delegated the power to approve the share transfers and the information is placed to the Board in each meeting. Further, the Company has signed a tripartite agreement with NSDL/CDSL and Karvy to facilitate dematerialization of shares. The Members may contact for the redressal of their grievances to either Karvy or the Company Secretary, Aurobindo Pharma Limited.

Distribution of shareholding

Distribution schedule as on March 31, 2016

Category	Shareholders	%	₹	%
1 - 5000	114,036	98.33	22,265,583	3.80
5001 - 10000	837	0.72	6,304,571	1.08
10001 - 20000	319	0.28	4,801,709	0.82
20001 - 30000	152	0.13	3,814,783	0.65
30001 - 40000	77	0.07	2,754,819	0.47
40001 - 50000	51	0.04	2,337,447	0.40
50001 - 100000	145	0.13	10,537,517	1.80
100001 & above	347	0.30	532,353,157	90.98
TOTAL	115,964	100.00	585,169,586	100.00

Categories of shareholders as on March 31, 2016

Category	No. of Shares	%
Promoters & Directors	315,503,582	53.92
NRI's/FIIs	163,170,002	27.88
Financial Institutions/banks	535,319	0.09
Mutual Funds	41,717,018	7.13
Insurance companies	246,902	0.04
Bodies corporate	11,415,490	1.95
General public and others	52,581,273	8.99
TOTAL	585,169,586	100.00

Outstanding GDR/ADR/warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDR/ADR and there are no outstanding warrants or any convertible instruments.

Commodity price risk or foreign exchange risk and hedging activities

Detailed information on commodity price risk and foreign exchange risk has been provided under Management of Risks which forms part of this annual report. The Company has not undertaken any hedging activities for commodity price risk and foreign exchange risk.

Location of manufacturing and R&D facilities

Unit No.	Address
Unit-I	Survey No.379, 385, 386, 388 to 396 & 269, Borpatla, Hatnoor Mandal, Medak District, 502 296, Telangana
Unit-II	Plot No.103/A & 104/A, SVCIE, Industrial Development Area, Bollaram, Jinnaram Mandal, Medak District, 500 092, Telangana
Unit-III	Survey No.313 & 314 Bachupally, Quthubullapur Mandal, Ranga Reddy District, 500 090, Telangana
Unit-IV	Plot No.4 in Survey No.151 and Plot Nos.34 to 48 in Survey Nos. part of 146, 150, 151, 152,153 and 154 situated in Phase-III, APIIC, EPIP, IDA, Pashamylaram, Patancheru Revenue Mandal, Medak District, 502 307, Telangana
Unit-V	Plot Nos.68 to 70, 73 to 91, 95, 96, 260 & 261, Industrial Development Area, Chemical Zone, Pashamylaram, Patancheru Mandal, Medak District, 502 307, Telangana
Unit-VI	Survey No. 329/39 & 329/47, Chitkul Village, Patancheru Mandal, Medak District, 502 307, Telangana
Unit-VII (SEZ)	Survey Nos. 411/P, 425/P, 434/P, 435/P & 458/P, Plot No.S1/A, Special Economic Zone (Pharma), TSIIC, Green Industrial Park, Polepally Village, Jedcherla Mandal, Mahaboobnagar, 509 302, Telangana
Unit-VIII	Survey No.10 & 13, Gaddapothram, Industrial Development Area - Kazipally Industrial Area, Jinnaram Mandal, Medak District, 502 319, Telangana
Unit-IX	Survey No.369, 370, 371 & 374, Gundlamachanoor, Hatnoor Mandal, Medak District, 502 296, Telangana
Unit-X*	Plot No 16, APIIC, Multiproduct SEZ at Survey No.3(P) to 6(P) & 413(P) & 416(P) Palchur Village and 113 Part of Palepalem Village, Naidupeta Mandal, PSR Nellore District, Andhra Pradesh
Unit-XI	Survey No.61-66, Industrial Development Area, Pydibhimavaram, Ranasthalam Mandal, Srikakulam District, 532 409, Andhra Pradesh
Unit-XII	Survey No.314, Bachupally, Quthubullapur Mandal, Ranga Reddy District, 500 090, Telangana
Unit-XIV*	JN Pharma City, Plot No. 17, Road No.10, 11 & 19, 20, E Bonangi Village, Parawada, Visakhapatnam District, 531 021, Andhra Pradesh
Unit-XV	JN Pharma City, Plot No. 17A, Road No.10,11 & 19,20, E Bonangi Village, Parawada, Visakhapatnam District, 531 021, Andhra Pradesh
Unit-XVI*	Plot No.S-5/B,S-6&S-7, Survey No.408 to 412, 418 to 435, 437 to 445, 452 to 459, TSIIC, SEZ, Polepally Village, Jedcherla Mandal, Mahaboobnagar District, 509 302, Telangana
Unit-XVII*	Survey No.77 & 78, Indrakaran Village, Sangareddy Mandal, Medak District, 502 203, Telangana
APLRC-I [@]	Survey No. 313 & 314, Bachupally, Quthubullapur Mandal, Ranga Reddy District, 500 090, Telangana
APLRC-II [@]	Survey No.71 & 72, Indrakaran Village, Sangareddy Mandal, Medak District, 502 203, Telangana
Bhiwadi Unit	1128, RIICO Phase-III, Bhiwadi, 301 019, Rajasthan (under sub-lease to Auronext Pharma Private Limited, a subsidiary of the Company)

* Facilities under construction/development

[@] Research and Development Centers

Address for correspondence

Registered Office	Corporate Office	Name & Designation of Compliance Officer
Aurobindo Pharma Limited (CIN - L24239TG1986PLC015190) Plot No.2, Maitri Vihar, Ameerpet Hyderabad - 500 038, Telangana Phone : +91 40 2373 6370 Fax : +91 40 2374 7340 E-mail : info@aurobindo.com	Water Mark Building, Plot No.11, Survey No.9, Kondapur, Hitech City Hyderabad - 500 084, Telangana Phone : +91 40 6672 5000 Fax : +91 40 6707 4044/4059 E-mail : info@aurobindo.com	Mr. A. Mohan Rami Reddy Vice President (Legal) & Company Secretary Aurobindo Pharma Limited, Water Mark Building, Plot No. 11, Survey No. 9, Kondapur, Hitech City, Hyderabad - 500 084, Telangana Phone : +91 40 6672 5333 Fax : +91 40 6707 4044/4059 E-mail : cs@aurobindo.com

OTHER DISCLOSURES**Related party transactions**

No transaction of material nature has been entered into by the Company with its Directors/management and their relatives, etc. that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly.

Transactions with related parties are disclosed in the Notes to Accounts in the Annual Report.

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee and Board of Directors of the Company have adopted a policy to determine related party transactions. The policy is placed on the Company's website at: <http://www.aurobindo.com/about-us/corporate-governance>.

Details of Non-Compliance and Penalties

There were no instances of non-compliance or penalties/strictures by the stock exchanges/SEBI/statutory authorities on any matter related to capital markets during the last three years.

Details of establishment of Vigil Mechanism (Whistle Blower policy)

The Board of Directors of the Company had adopted the Whistle Blower policy. The Company has established a mechanism for employees and Director to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. The employees have been appropriately communicated within the organization about the mechanism and have been provided direct access to the Chairman of the Audit Committee. The mechanism also lays emphasis on making enquiry into whistle blower complaint received by the Company. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No employee has been denied access to the Audit Committee.

A copy of the Whistle Blower Policy is hosted on the Company's website at <http://www.aurobindo.com/about-us/corporate-governance>.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is in the process of implementation of non-mandatory requirements.

Policy on material subsidiaries

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted a policy with regard to determination of material subsidiaries. The policy is placed on the Company's website: <http://www.aurobindo.com/about-us/corporate-governance>.

Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule-V

The Company has complied with the requirements of corporate governance report of sub-paras (2) to (10) of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adoption of discretionary requirements as specified in Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

With regard to discretionary requirements, the Company has adopted clauses relating to the following:

Separate persons were appointed for the post of the Chairman and the Managing Director and internal auditors report directly to the Audit Committee.

The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Functional Website	Yes

Code of Conduct

The Board of Directors has laid down a 'Code of Conduct' (Code) for all the Board members and the senior management of the Company and this Code is posted on the website of the Company. Annual declaration is obtained from every person covered by the Code.

The Company has a comprehensive Code of Conduct for prevention of insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as replaced by the SEBI (Prohibition of Insider Trading) Regulations, 2015, which is effective from May 15, 2015. The Board has formulated a Code of Conduct to regulate, monitor and report trading by insiders and the Board has also adopted a code of practices and procedures for fair disclosure of un-published price sensitive information.

Risk Management

The Company recognizes that it faces various financial, market, technical and operational risks including regulatory and compliance risks and needs to take appropriate steps to minimize such risks. The Board regularly discusses the significant business risks identified by the management and the

mitigation process taken up. The Board has constituted a Risk Management Committee comprising of Mr. M. Sitarama Murty, as the Chairman of the Committee and Mr. N. Govindarajan and Mr. P. Sarath Chandra Reddy as other members of the Committee. The objectives of the Committee include identifying, measuring and monitoring the various risks the Company is exposed to and initiate appropriate mitigating measures on an ongoing basis.

Letter of appointment

Each independent director upon appointment is given a letter of appointment. The terms and conditions of the appointment of the independent directors is available on the Company's website at: <http://www.aurobindo.com/about-us/corporate-governance>.

CEO and CFO Certification

The Managing Director (Chief Executive officer) and Chief Financial Officer have submitted a compliance certificate to the Board as contemplated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Declaration

I, N. Govindarajan, Managing Director, hereby declare that as provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2016.

For Aurobindo Pharma Limited


N. Govindarajan
 Managing Director

Hyderabad, May 30, 2016

Certificate on Compliance with the conditions of Corporate Governance under Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015


The Members of
Aurobindo Pharma Limited

I have examined the compliance of conditions of corporate governance by Aurobindo Pharma Limited (The Company) for the financial year ended March 31, 2016, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to review the 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 financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of corporate governance as stipulated in the above Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I 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.


S. Chidambaram
 Company Secretary in Practice
 C.P. No. 2286

Hyderabad, May 30, 2016

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2016 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we have aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee that there are no:
 - i. significant changes in internal control over financial reporting during the year.
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For Aurobindo Pharma Limited



N. Govindarajan
Managing Director



S. Subramanian
Chief Financial Officer

Hyderabad, May 30, 2016

Independent Auditors' Report

The Members of
Aurobindo Pharma Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Aurobindo Pharma Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in 'Annexure 1', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the Directors as on March 31, 2016 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 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 2' to this report; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm's Registration Number: 101049W/E300004



per **VIKAS KUMAR PANSARI**

Partner

Membership No. 093649

Hyderabad, May 30, 2016

Annexure 1 referred to in paragraph 1 of our report of even date

Re: Aurobindo Pharma Limited ('the Company')

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. According to the information and explanations given by management, the title deeds of immovable properties, included in fixed assets except for the following, are held in the name of the Company. As explained to us, Registration of title deeds is in progress in respect of these immovable properties.

Category	No. of instances	Freehold/leasehold	Gross block as at March 31, 2016	Net block as at March 31, 2016
Land	5	Freehold land	126,535,881	126,535,881
Building	1	Freehold building	35,341,469	17,551,237
TOTAL			161,877,350	144,087,118

- ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. According to the information and explanations given to us, 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. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to Directors/to a company in which the Director is interested to which, the provisions of Section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has made investments and given guarantees/provided security which is in compliance with the provisions of Section 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of Active Pharmaceutical Ingredients and Formulations and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c. According to the records of the Company, the dues outstanding of income tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Nature of the statute	Nature of the dues	Disputed Amount ₹	Paid under protest ₹	Period to which the amount relates	Forum where dispute is pending
Central Excise and Customs Act, 1944	Excise duty and penalty	9,224,104	5,559,640	2007-08, 2008-09, 2009-10, 2010-11	CESTAT
	Customs duty and penalty	8,709,455	346,340	2002-03, 2003-04, 2004-05, 2005-06	CESTAT
	Excise duty	14,606,598	14,471,641	2005-06	Commissioner of Central Excise
	Interest and penalty	14,013,066	1,181,753	2006-07, 2007-08, 2008-09, 2009-10	CESTAT
	Excise duty	1,303,500	-	2007-08	CESTAT
	Excise duty and penalty	2,035,680	1,017,840	2009-10, 2010-11	CESTAT

(Contd.)

Nature of the statute	Nature of the dues	Disputed Amount ₹	Paid under protest ₹	Period to which the amount relates	Forum where dispute is pending
Central Excise and Customs Act, 1944	Excise duty and penalty	77,49,644	2,569,008	2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11	CESTAT
	Excise duty and penalty	5,480,404	3,490,202	2008-09	CESTAT
	Excise duty and penalty	5,980,852	-	2006-07, 2007-08, 2008-09, 2009-10, 2010-11	CESTAT
	Customs duty and penalty	4,689,566	3,739,566	2011-12, 2012-13	Commissioner of Customs – Appeals
	Excise duty and penalty	6,278,701	1,809,138	2000-01, 2001-02, 2002-03	CESTAT
	Excise duty	3,962,773	3,962,773	2012-13	Revision Authority
	Interest	2,297,939	2,297,939	2007-08, 2008-09, 2009-10, 2010-11	Revision Authority
	Excise duty	4,760,055	-	2006-07, 2007-08	High court
	Excise duty	4,490,484	-	2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12	CESTAT
	Excise duty and penalty	636,956	318,478	2008-09	CESTAT
	Excise duty and penalty	1,226,000	1,176,000	2012-13	CESTAT
	Excise duty	156,000	156,000	2013-14	Commissioner of Central Excise (Appeals)
	Excise duty	264,226	-	2011-12, 2012-13, 2013-14, 2014-15	Commissioner of Central Excise (Appeals)
	Excise duty and penalty	83,242	83,242	2008-09, 2009-10	CESTAT
	Excise duty and penalty	38,218	19,109	2013-14, 2014-15	Commissioner of Central Excise (Appeals)
	Finance Act, 1994	Excise duty and penalty	1,989,820	1,889,820	2014-15, 2015-16
Excise duty and penalty		84,215	-	2014-15	Commissioner of Central Excise (Appeals)
Excise duty		5,665,193	4,925,488	2012-13, 2013-14	Revision Authority
Service Tax		458,500	458,500	2007-08	CESTAT
Service Tax		3,369,212	428,697	2012-13	CESTAT
Service Tax		11,295,379	2,066,239	2011-12	CESTAT
Service Tax		12,308,490	9,376,541	2006-07, 2007-08, 2008-09, 2009-10, 2010-11	CESTAT
Service Tax		97,222,192	-	2005-06, 2007-08, 2008-09, 2009-10, 2010-11	CESTAT
Service Tax		69,299,037	5,197,428	2011-12	CESTAT
Service Tax		1,595,280	1,595,280	2008-09	CESTAT
Income Tax Act, 1961	Income Tax	190,070,479	-	2008-2009	ITAT
	Income Tax	31,585,269	-	2010-2011	ITAT

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a bank or government loan in the nature of sales tax deferment. There are no dues which are payable to financial institutions or debenture holders.
- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money by way of initial public offer/further public offer/ debt instruments and hence, not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with Directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm's Registration Number: 101049W/E300004



per **VIKAS KUMAR PANSARI**
Partner
Membership No. 093649
Hyderabad, May 30, 2016

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

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

We have audited the internal financial controls over financial reporting of Aurobindo Pharma Limited ('the Company') as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the

Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 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, 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm's Registration Number: 101049W/E300004



per **VIKAS KUMAR PANSARI**

Partner

Membership No. 093649

Hyderabad, May 30, 2016

Balance Sheet as at March 31, 2016


(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2	585.2	292.0
Reserves and surplus	3	67,520.0	53,303.4
		68,105.2	53,595.4
NON-CURRENT LIABILITIES			
Long-term borrowings	4	3,347.6	6,871.6
Deferred tax liabilities (Net)	5	2,124.9	2,103.4
Long-term provisions	6	212.6	226.5
		5,685.1	9,201.5
CURRENT LIABILITIES			
Short-term borrowings	7	25,745.7	22,093.7
Trade payables	8		
Total outstanding dues of micro enterprises and small enterprises		276.3	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		12,545.0	11,460.4
Other current liabilities	9	5,909.2	5,047.6
Short-term provisions	6	1,062.5	860.2
		45,538.7	39,461.9
TOTAL		119,329.0	102,258.8
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	10		
Tangible assets		25,681.3	21,900.1
Intangible assets		-	-
Tangible assets - Capital work-in-progress		7,421.4	2,271.9
Non-current investments	11	11,823.7	9,931.1
Loans and advances	12	4,173.0	4,189.4
Other non-current assets	15	272.3	285.5
		49,371.7	38,578.0
CURRENT ASSETS			
Current investments	16	0.2	196.4
Inventories	17	24,316.0	21,450.5
Trade receivables	13	35,411.4	37,089.4
Cash and bank balances	18	3,308.1	111.3
Loans and advances	12	4,681.1	4,008.5
Other current assets	14	2,240.5	824.7
		69,957.3	63,680.8
TOTAL		119,329.0	102,258.8
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date.

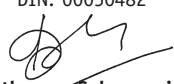
For and on behalf of the Board of Directors of Aurobindo Pharma Limited


For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number:101049W/E300004

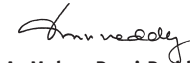

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Hyderabad, May 30, 2016


N. Govindarajan
Managing Director
DIN: 00050482


Santhanam Subramanian
Chief Financial Officer


Dr. M. Sivakumaran
Director
DIN: 01284320


A. Mohan Rami Reddy
VP (Legal) &
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

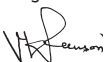
	Notes	Year ended March 31, 2016	Year ended March 31, 2015
INCOME			
Revenue from operations (Gross)	19	93,227.6	82,448.4
Less: Excise duty	41	1,565.8	1,497.4
Revenue from operations (Net)		91,661.8	80,951.0
Other income	20	1,833.2	672.2
TOTAL REVENUE		93,495.0	81,623.2
EXPENSES			
Cost of materials consumed	21	44,258.0	39,203.3
Purchase of traded goods		63.1	157.6
Increase in work-in-progress and finished goods	22	(1,415.9)	(1,590.9)
Employee benefit expenses	23	8,097.9	6,687.5
Other expenses	24	16,168.3	13,989.3
Depreciation/amortization	25	2,630.0	2,451.5
Finance costs	26	2,293.1	1,321.4
TOTAL EXPENSES		72,094.5	62,219.7
PROFIT BEFORE TAX		21,400.5	19,403.5
TAX EXPENSE			
Current tax		5,182.3	4,206.3
MAT credit		-	(99.5)
Deferred tax charge		21.5	133.2
TOTAL TAX EXPENSE		5,203.8	4,240.0
PROFIT FOR THE YEAR		16,196.7	15,163.5
EARNINGS PER EQUITY SHARE	29		
Basic earnings per share (₹)		27.73	26.00
Diluted earnings per share (₹)		27.72	25.98
Nominal value per equity share (₹)		1.00	1.00
Summary of significant accounting policies	1		

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

As per our report of even date.

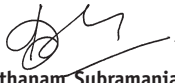
For and on behalf of the Board of Directors of Aurobindo Pharma Limited


For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number:101049W/E300004

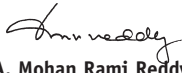

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Hyderabad, May 30, 2016


N. Govindarajan
Managing Director
DIN: 00050482


Santhanam Subramanian
Chief Financial Officer


Dr. M. Sivakumaran
Director
DIN: 01284320


A. Mohan Rami Reddy
VP (Legal) &
Company Secretary

Cash Flow Statement for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015
CASH FLOW FROM		
OPERATING ACTIVITIES		
Net profit before tax	21,400.5	19,403.5
<i>Adjustments to reconcile profit before tax to net cash flows</i>		
Depreciation and amortization	2,630.0	2,451.5
Provision for doubtful receivables/advances/other assets (Net)	475.4	42.7
Provision for diminution on non-current investment	455.0	540.0
Loss on current investment	0.1	-
Profit on sale of investment (Net)	(63.8)	-
Balances no longer required written back	(4.8)	(9.1)
Unrealized foreign exchange loss (Net)	208.3	343.0
Loss on sale of assets (Net)	10.6	25.0
Interest expense	595.6	495.7
Interest income	(48.7)	(128.6)
Dividend income		
Operating profit before working capital changes	25,658.2	23,163.7
<i>Movements in working capital:</i>		
Decrease/(increase) in trade receivables	1,260.8	(6,665.4)
Increase in inventories	(2,865.5)	(4,332.4)
Increase in loans and advances	(206.9)	(918.5)
Increase in other current/non-current assets	(1,434.7)	(244.1)
Increase/(decrease) in trade payables	1,467.6	(1,046.5)
Increase in provision for retirement benefits	115.0	237.8
Increase/(decrease) in other current liabilities	76.2	(31.4)
Cash generated from operations	24,070.7	10,163.2
Direct taxes paid (Net of refunds)	(4,842.0)	(4,259.1)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	19,228.7	5,904.1
CASH FLOW USED IN		
INVESTING ACTIVITIES		
Purchase of fixed assets, including capital work-in-progress, capital advances and payables for capital goods	(11,681.3)	(5,440.0)
Proceeds from sale of fixed assets	15.3	20.4
Purchase of non-current investments made in subsidiaries	(2,559.7)	(1,975.4)
Redemption of bank deposits	0.3	-
Proceeds of current investments	276.3	-
Proceeds of non-current investments	217.3	-
Intercompany deposit repaid/(given)	10.0	(10.0)
Loans made to subsidiaries	(214.5)	(28.0)
Loans repaid by subsidiaries	-	1,024.1
Interest received	35.6	172.9
Dividend received	-	-
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	(13,900.7)	(6,236.0)

(Contd.)

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015
CASH FLOW USED IN		
FINANCING ACTIVITIES		
Proceeds from issuance of share capital	72.0	67.6
Proceeds from long-term borrowings	-	8.3
Repayment of long-term borrowings	(3,676.1)	(1,103.0)
Proceeds from short-term borrowings (Net)	3,733.6	3,766.8
Interest paid	(645.2)	(589.1)
Dividend	(1,341.9)	(1,527.0)
Tax on dividend	(273.6)	(277.6)
Net cash flow from/(used in) financing activities (C)	(2,131.2)	346.0
Net increase in cash and cash equivalents (A+B+C)	3,196.8	14.1
Cash and cash equivalents at the beginning of the year	111.3	97.2
Cash and cash equivalents at the end of the year	3,308.1	111.3
Components of cash and cash equivalents		
Cash and bank balances includes:		
Cash on hand	5.4	6.0
Balance with banks:		
Current accounts	2,326.3	77.5
Cash credit accounts	962.0	15.3
Fixed deposit accounts	-	0.3
Unpaid dividend accounts*	14.4	12.5
Cash and bank balances as per balance sheet	3,308.1	111.6
Less: fixed deposits considered as investing activities	-	0.3
Total cash and cash equivalents (Refer note 18)	3,308.1	111.3
Summary of significant accounting policies (Refer Note 1)		
*The Company can utilize these balances only toward settlement of unpaid dividend.		

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number:101049W/E300004




per **Vikas Kumar Pansari**
Partner
Membership No. 93649

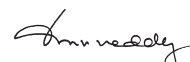
Hyderabad, May 30, 2016

For and on behalf of the Board of Directors of Aurobindo Pharma Limited


N. Govindarajan
Managing Director
DIN: 00050482


Santhanam Subramanian
Chief Financial Officer


Dr. M. Sivakumar
Director
DIN: 01284320


A. Mohan Rami Reddy
VP (Legal) &
Company Secretary

Notes to financial statements for the year ended March 31, 2016

1. Statement of significant accounting policies

a. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except as disclosed in (b) below.

b. Change in accounting policy

The Company has adopted component accounting as required under Schedule II to the Companies Act, 2013, from April 1, 2015. The Company was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life was used to depreciate each item of fixed assets.

Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed assets. Now, the Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has also changed its policy on recognition of cost of major inspection/overhaul. Earlier, the Company used to charge such cost of major inspection/overhaul directly to statement of profit and loss, as incurred. On application of component accounting, the major inspection/overhaul is identified as a separate component of the asset at the time of purchase of new asset and subsequently. The cost of such major inspection/overhaul is depreciated separately over the period till next major inspection/overhaul. Upon next major inspection/overhaul, the costs of new major

inspection/overhaul are added to the asset's cost and any amount remaining from the previous inspection/overhaul is derecognized. On the date of component accounting becoming applicable, i.e. April 1, 2015, there were no components whose cost was significant to the total cost of the assets and whose useful life was materially different from that of the remaining assets. The change in accounting for components did not have any impact on financial statements of the Company for the current year.

c. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

d. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized on dispatch (in respect of exports on the date of the bill of lading or airway bill) which coincides with transfer of significant risks and rewards to customer and is net of trade discounts, sales returns and sales tax, where applicable and recognized based on the terms of the agreements entered into with the customers. Excise duty deducted from revenue (gross) is the amount that is included in revenue (gross) and not the entire amount of liability arising during the year.

Revenue from sale of dossiers/licenses/services is recognized in accordance with the terms of the relevant agreements as accepted and agreed with the customers.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend is recognized as and when the Company's right to receive payment is established by the reporting date.

e. Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation, impairment losses and specific grant/subsidies, if any. Cost comprise of purchase price, freight, non refundable taxes and duties and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for use are included to the extent they relate to the period till such assets are ready for intended use. All other borrowing costs are expensed in the period they occur.

Expenditure directly relating to construction activity is capitalized. Expenditure is capitalized to the extent those are specifically attributable to the construction activity or is incidental thereto. Income earned during construction period is deducted from the total expenditure relating to construction activity.

Assets retired from active use and held for disposal are stated at their estimated net realizable values or net book values, whichever is lower.

Assets under finance leases, where there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term are capitalized and are depreciated over the lease term or estimated useful life of the asset, whichever is shorter.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Premium paid on leasehold land is amortized over the lease term.

Depreciation is provided on the straight-line method, based on the useful life of the assets as estimated by the management. The Company has estimated the following useful lives to provide depreciation on its fixed assets:

Notes to financial statements for the year ended March 31, 2016

Nature of the assets	Useful life as estimated by the management (in years)	Useful life as stated in the Companies Act, 2013 (in years)
Leasehold buildings	20	10-60
Freehold buildings	15-60	10-60
Plant & machinery	5-20	3-40
Furniture & fittings	10	10
Vehicles	4-8	8
Office equipment	5	5

f. Intangibles

Cost relating to licenses, which are acquired, are capitalized and amortized on a straight-line basis over their useful life not exceeding ten years. Research costs are expensed as incurred. Development expenditure incurred in respect of internally generated intangible assets such as product development is carried forward when the future recoverability can reasonably be regarded as assured.

g. Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its 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 risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

h. Government grants and subsidies

Grants and subsidies are recognized when there is a reasonable assurance that the grant or subsidy will be received and that all underlying conditions thereto will be complied with. When the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

i. Investments

Investments that are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value determined on individual investment basis.

Long-term investments are carried at cost. However, diminution in value is provided to recognize a decline, other than temporary, in the value of the investments.

j. Inventories

Raw materials, packing materials, stores, spares and consumables are valued at lower of cost, calculated on 'Weighted average' basis and net realizable value. Items held for use in the production of inventories are not written down below cost if the finished product in which these will be incorporated are expected to be sold at or above cost.

Finished goods and work-in-progress are valued at lower of cost and net realizable value. Cost includes materials, labour and a proportion of appropriate overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a 'Weighted average' basis.

Trading goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a 'Weighted average' basis.

Net realizable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to effect the sale.

k. Employee benefits

Employee benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss in the year when an employee renders the related service. There are no other obligations other than the contribution payable to the respective authorities.

Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial

valuation on project unit credit method made at the end of each financial year.

Short-term compensated absences are provided for based on estimates. Long-term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the end of each financial year.

Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

l. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In the situations where the Company is entitled to tax holiday under Income Tax Act, 1961, no deferred tax is recognized in respect of timing differences which reverse during the tax holiday period, to the extent Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which timing difference originate.

Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying

amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT credit entitlement.' The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

m. Foreign exchange transactions

Initial recognition: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transaction.

Conversion: Foreign currency monetary items are reported at year-end rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences: Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Forward exchange contracts entered into to hedge foreign current risk of an existing asset/liability. The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an

expense/income over the life of the contract. Exchange differences on such contracts, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

n. Export benefits, incentives and licenses

Export benefits on account of duty drawback and export promotion schemes are accrued and accounted in the year of export, and are included in other operating revenue. Other benefits in the form of advance authorization for imports are accounted for on purchase of imported materials.

o. Leases

Where the Company is lessee

Finance leases, where the substantial risks and benefits incidental to ownership of the leased items are transferred to the Company, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged to statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

p. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events such as bonus issue that have changed the number of shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q. Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

r. Cash and cash equivalents

Cash and cash equivalents in the cash flow statements comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

s. Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share Based Payments Plans, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense, if any, is amortized over the vesting period of the option on a straight line basis.

t. Contingent liabilities

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it can not be measured reliably. The Company does not recognize the contingent liability but discloses its existence in the financial statements.

u. Borrowing cost

Borrowing cost includes interest incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

		As at March 31, 2016	As at March 31, 2015
2. SHARE CAPITAL			
AUTHORISED	660,000,000 (March 31, 2015: 660,000,000)		
	equity shares of ₹1 each	660.0	660.0
	1,000,000 (March 31, 2015: 1,000,000)		
	preference shares of ₹100 each	100.0	100.0
		760.0	760.0
ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARES			
	585,169,586 (March 31, 2015: 291,982,275)		
	equity shares of ₹1 each	585.2	292.0
	TOTAL	585.2	292.0

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	As at March 31, 2016		As at March 31, 2015	
	Numbers	Value	Numbers	Value
Equity shares				
At the beginning of the year	291,982,275	292.0	291,457,021	291.5
Issued during the year under bonus issue	291,982,275	292.0	-	-
Issued during the year under ESOP	1,205,036	1.2	525,254	0.5
Outstanding at the end of the year	585,169,586	585.2	291,982,275	292.0

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2016, the amount of dividend per share recognized as distributions to equity shareholders was ₹2.5 (March 31, 2015: ₹4.5) including interim dividend of ₹2.5 (March 31, 2015: ₹4.5).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% equity shares in the Company

	As at March 31, 2016		As at March 31, 2015	
	Numbers	% holding	Numbers	% holding
Mrs. P. Suneela Rani	205,036,760	35.04	100,661,990	34.48
	205,036,760		100,661,990	

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

d. Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	As at March 31, 2016 Numbers	As at March 31, 2015 Numbers
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	291,982,275	-

e. For details of shares reserved for issue under Employee Stock Option Plan (ESOP) of the Company, Refer Note 30.

		As at March 31, 2016	As at March 31, 2015
3.	RESERVES AND SURPLUS		
	CAPITAL RESERVE	91.1	91.1
	CAPITAL REDEMPTION RESERVE	90.0	90.0
	SECURITIES PREMIUM		
	ACCOUNT		
	As per last balance sheet	3,551.6	3,484.5
	Add: Premium on exercise of employee stock options	70.8	67.1
	Less: Amount utilized towards issue of fully paid bonus shares	292.0	-
		<u>3,330.4</u>	<u>3,551.6</u>
	GENERAL RESERVE	7,888.4	7,888.4
	SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
	Balance as per last financial statements	41,682.3	28,278.4
	Profit for the year	16,196.7	15,163.5
	Less: Appropriations		
	On equity shares of ₹1 each		
	Interim dividend @ ₹2.5 (March 31, 2015: ₹4.5)	1,461.4	1,312.8
	Tax on dividend	297.5	250.4
	Depreciation [Net of deferred tax of ₹Nil (March 31, 2015: ₹82.3)]	-	196.4
	Total appropriations	<u>1,758.9</u>	<u>1,759.6</u>
	NET SURPLUS IN THE STATEMENT OF PROFIT AND LOSS	<u>56,120.1</u>	<u>41,682.3</u>
	TOTAL	<u>67,520.0</u>	<u>53,303.4</u>

4. LONG-TERM BORROWINGS

	Non-current portion		Current maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
From banks (Secured)				
Term loans in foreign currency	3,091.9	6,458.3	3,975.2	3,750.0
	<u>3,091.9</u>	<u>6,458.3</u>	<u>3,975.2</u>	<u>3,750.0</u>
Other loans				
Deferred sales tax loan (Unsecured)	255.7	413.3	160.0	132.0
	<u>255.7</u>	<u>413.3</u>	<u>160.0</u>	<u>132.0</u>
Amount disclosed under the head 'Other current liabilities' (Refer Note 9)	-	-	(4,135.2)	(3,882.0)
TOTAL	<u>3,347.6</u>	<u>6,871.6</u>	<u>-</u>	<u>-</u>
The above amount includes:				
Secured borrowings	3,091.9	6,458.3	3,975.2	3,750.0
Unsecured borrowings	255.7	413.3	160.0	132.0

- i. Secured term loans in foreign currency carry interest in the range of LIBOR plus 1% to 1.5%. Out of these loans, loans amounting to ₹1,104.3 (March 31, 2015: ₹1,562.5) are repayable in two (March 31, 2015: three) equal installments in 5th, 6th (March 31, 2015: 4th, 5th and 6th) years from the respective final draw down, and loans amounting to ₹1,987.6 (March 31, 2015: ₹1,666.7) is repayable at the end of 4th, 5th and 6th years from the respective final draw down and loan amounting ₹Nil (March 31, 2015: ₹3,229.2) is repayable at the end of 5th year from the respective final draw down date.
- ii. Deferred sales tax loan is interest free and payable in various installments as per sales tax deferment scheme. The last installment is payable in 2029-30 (March 31, 2015: 2028-29)
- iii. Term loans are secured by first *pari passu* charge on all the present and future fixed assets, both movable and immoveable property of the Company.

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	As at March 31, 2016	As at March 31, 2015
5. DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability on account of differences in depreciation as per tax books and financial books	2,611.0	2,388.9
Deferred tax asset arising on account of timing differences relating to:		
Provision made towards doubtful trade receivables/loans and advances/other assets	244.0	79.5
Employee benefits	242.1	206.0
TOTAL	2,124.9	2,103.4

	Long-term		Short-term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
For employee benefits				
Gratuity [Refer Note 31(b)]	212.6	226.5	65.0	30.0
Compensated absences	-	-	434.3	340.4
	212.6	226.5	499.3	370.4
Other provisions				
For proposed dividend	-	-	409.6	292.0
For tax on proposed dividend	-	-	83.4	59.4
Provision for income tax (Net of advance tax)	-	-	70.2	138.4
	-	-	563.2	489.8
TOTAL	212.6	226.5	1,062.5	860.2

	As at March 31, 2016	As at March 31, 2015
7. SHORT-TERM BORROWINGS		
Loans repayable on demand from banks - working capital loans		
Cash credit facilities (Secured)	469.1	372.7
Buyers credit (Unsecured)	-	784.6
Packing credit loans (Secured)	2,490.9	8,259.0
Packing credit loans (Unsecured)	22,785.7	12,677.4
	25,745.7	22,093.7
The above amount includes		
Secured borrowings	2,960.0	8,631.8
Unsecured borrowings	22,785.7	13,461.9
TOTAL	25,745.7	22,093.7

All secured loans payable on demand and secured short term loans from banks are secured by first charge by way of hypothecation of all the stocks, book debts and other current assets (both present and future).

	As at March 31, 2016	As at March 31, 2015
8. TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 34)	276.3	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,545.0	11,460.4

	As at March 31, 2016	As at March 31, 2015
9. OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings (Refer Note 4)	4,135.2	3,882.0
Payable for capital goods	1,449.9	869.9
Security deposits	1.5	1.5
Unclaimed dividend (Refer Note 35)	14.4	12.5
Interest accrued but not due on borrowings	37.7	87.4
Advance from customers	54.6	44.6
Statutory liabilities	215.9	149.7
TOTAL	5,909.2	5,047.6

10. FIXED ASSETS - TANGIBLE AND INTANGIBLE ASSETS

	Leasehold land	Freehold land	Leasehold buildings	Freehold buildings	Plant & machinery	Furniture & fittings	Vehicles	Office equipment	Total tangible assets	Total intangible assets - Licenses
AT COST										
At April 1, 2014	60.6	337.4	25.5	5,665.2	22,922.3	614.0	151.5	272.1	30,048.6	39.6
Additions	88.8	22.2	0.1	779.1	4,269.0	101.2	6.0	28.7	5,295.1	-
Deletions	-	-	-	2.8	294.6	1.8	3.9	4.8	307.9	-
At March 31, 2015	149.4	359.6	25.6	6,441.5	26,896.7	713.4	153.6	296.0	35,035.8	39.6
Additions	-	1,785.5	-	701.1	3,708.9	154.3	64.9	25.5	6,440.2	-
Deletions	-	-	-	-	178.0	2.2	45.7	7.1	233.0	-
At March 31, 2016	149.4	2,145.1	25.6	7,142.6	30,427.6	865.5	172.8	314.4	41,243.0	39.6
Depreciation/amortization										
At April 1, 2014	9.6	-	12.3	974.6	9,282.9	275.3	50.0	64.5	10,669.2	39.6
Charge for the year	3.8	-	1.3	219.0	2,257.2	86.1	60.4	104.6	2,732.4	-
Deletions	-	-	-	0.1	257.9	0.7	3.3	3.9	265.9	-
At March 31, 2015	13.4	-	13.6	1,193.5	11,282.2	360.7	107.1	165.2	13,135.7	39.6
Charge for the year	4.2	-	1.3	247.2	2,240.4	66.2	30.6	43.2	2,633.1	-
Deletions	-	-	-	-	155.8	1.9	42.4	7.0	207.1	-
At March 31, 2016	17.6	-	14.9	1,440.7	13,366.8	425.0	95.3	201.4	15,561.7	39.6
Net block										
At March 31, 2015	136.0	359.6	12.0	5,248.0	15,614.5	352.7	46.5	130.8	21,900.1	-
At March 31, 2016	131.8	2,145.1	10.7	5,701.9	17,060.8	440.5	77.5	113.0	25,681.3	-

Capital work-in-progress ₹7,421.4 (March 31, 2015: ₹2,271.9) (Refer Note 32).

1. The title deeds of land and buildings aggregating to ₹161.9 (March 31, 2015: ₹161.9) are pending transfer to the Company's name.
2. Depreciation/amortization for the year include ₹3.1 (March 31, 2015: ₹2.3) taken as pre-operative capital expenditure on capital projects pending capitalization.
3. Details of finance lease [Refer Note 40(b)].
4. Details of capital research and development [Refer Note 36(b)].

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Face value	As at March 31, 2016		As at March 31, 2015	
		Qty.	₹	Qty.	₹
11. NON-CURRENT INVESTMENTS					
Trade investments					
Long-term, unquoted, in fully paid equity shares (at cost unless stated otherwise)					
In subsidiaries					
Aurobindo Pharma USA Inc, U.S.A.	-	100% of Paid-in-Capital	2,824.2	100% of Paid-in-Capital	2,824.2
APL Pharma Thai Limited, Thailand	100 Baht	979,200	145.6	979,200	145.6
Aurobindo Pharma Industria Farmaceutica Ltda, Brazil	1Real	10,124,795	80.0	10,124,795	80.0
[At cost less provision for other than temporary diminution in value of ₹180.0 (March 31, 2015: ₹180.0)]					
Helix Healthcare B.V., The Netherlands	-	100% of Paid-in-Capital	3,970.6	100% of Paid-in-Capital	3,605.4
[At cost less provision for other than temporary diminution in value of ₹2,795.0 (March 31, 2015: ₹2,340.0)]					
APL Research Centre Limited, India	10	12,260,000	122.6	12,102,750	121.0
APL Healthcare Limited, India	10	87,500,000	875.0	55,537,600	555.4
All Pharma (Shanghai) Trading Company Limited, China	-	100% of Paid-in-Capital	27.5	100% of Paid-in-Capital	27.5
APL Holdings (Jersey) Limited, Jersey	1 Euro	-	-	3,637,824	233.6
Aurobindo Pharma Produtos Farmaceuticos Ltda, Brazil	1 Real	99,000	2.1	99,000	2.1
Auronext Pharma Private Limited, India	10	124,984,028	1,298.6	94,274,000	942.7
Auro Peptides Limited, India	10	95,000	1.0	95,000	1.0
Aurobindo Antibiotics Limited, India	10	50,000	0.5	50,000	0.5
Curepro Parenterals Limited, India	10	5,783,600	860.5	2,150,000	315.5
Hyacinths Pharma Private Limited, India	10	9,740,998	167.3	8,490,998	154.8
Silicon Life Sciences Private Limited, India	10	44,867,500	432.4	43,617,500	419.9
AuroZymes Limited, India	10	50,000	0.5	50,000	0.5
Tergene Biotech Private Limited	10	3,390,000	33.9	-	-
In others					
Jeedimetla Effluent Treatment Limited	100	753	0.1	753	0.1
Patancheru Envirotech Limited	10	103,709	1.0	103,709	1.0
Progressive Effluent Treatment Limited	100	1,000	0.1	1,000	0.1
TOTAL (A)			10,843.5		9,430.9
Long term, unquoted, in fully paid cumulative redeemable preference shares (at cost)					
In subsidiaries					
Auro Peptides Limited, India (9.5% Cumulative preference shares redeemable at par within five years from the date of issue)	100	6,600,000	660.0	5,000,000	500.0
Tergene Biotech Private Limited (10.5% Cumulative preference shares redeemable at par within five years from the date of issue)	100	400,000	40.0	-	-
Auronext Pharma Private Limited, India (9.5% Cumulative preference shares redeemable at par within five years from the date of issue)	100	2,800,000	280.0	-	-
TOTAL (B)			980.0		500.0
Non-trade investments					
Long-term, unquoted and at cost, in government securities					
Kisan Vikas Patra		-	-	-	-
National Savings Certificate [includes held by income tax authorities ₹0.07 (March 31, 2015: ₹0.07)]			0.2		0.2
TOTAL (C)			0.2		0.2
TOTAL (A+B+C)			11,823.7		9,931.1
Notes:					
1. Aggregate value of unquoted investments			11,823.7		9,931.1
2. Aggregate provision for diminution in the value of investments			2,975.0		2,520.0

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
12. LOANS AND ADVANCES				
(Unsecured, considered good except stated otherwise)				
Capital advances				
Considered good	1,174.3	499.6	-	-
Doubtful	0.8	0.8	-	-
	1,175.1	500.4	-	-
Provision for doubtful advances	0.8	0.8	-	-
TOTAL (A)	1,174.3	499.6	-	-
Trade deposits	-	-	-	-
Considered good*	454.2	333.3	-	-
Doubtful	0.4	0.4	-	-
	454.6	333.7	-	-
Provision for doubtful deposit	0.4	0.4	-	-
TOTAL (B)	454.2	333.3	-	-
Loan and advances to related parties (Refer Note 39)				
Loans to subsidiaries**	242.5	28.0	-	-
Share application money to subsidiaries	12.5	-	-	-
TOTAL (C)	255.0	28.0	-	-
Advances recoverable in cash or kind				
Considered good	20.8	24.0	1,024.7	1,199.7
Doubtful	30.1	30.1	-	-
	50.9	54.1	1,024.7	1,199.7
Provision for doubtful advances	30.1	30.1	-	-
TOTAL (D)	20.8	24.0	1,024.7	1,199.7
Other loans and advances				
Advance income tax (Net of provision for taxation)	447.5	439.4	-	-
MAT credit entitlement	1,593.5	2,610.1	600.0	-
Share application money to others	-	33.9	-	-
Intercompany deposit	-	-	-	10.0
Loans to employees	53.5	54.4	94.8	78.9
Export rebate claims receivable	-	-	2,004.9	1,802.5
Balance with statutory/government authorities				
Considered good	174.2	166.7	956.7	917.4
Doubtful	38.1	38.1	-	-
	212.3	204.8	956.7	917.4
Provision for doubtful advances	38.1	38.1	-	-
	174.2	166.7	956.7	917.4
TOTAL (E)	2,268.7	3,304.5	3,656.4	2,808.8
TOTAL (A+B+C+D+E)	4,173.0	4,189.4	4,681.1	4,008.5

Refer Note 42 for advances due from private companies/partnership firm in which Company's Director is a director/partner.

* Non-current deposits include deposits pledged with Enforcement Directorate of ₹32.6 (March 31, 2015: ₹32.6).

** Loan of ₹242.5 (March 31, 2015: ₹28.0) has been given to wholly owned subsidiaries towards project development cost, at interest rate of 9.5% per annum.

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
13. TRADE RECEIVABLES				
(Unsecured, considered good unless stated otherwise)				
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	-	-	385.7	443.4
Doubtful	143.8	32.2	447.0	128.0
	143.8	32.2	832.7	571.4
Provision for doubtful receivables	143.8	32.2	447.0	128.0
TOTAL (A)	-	-	385.7	443.4
Others				
Considered good (B)	-	-	35,025.7	36,646.0
TOTAL (A+B)	-	-	35,411.4	37,089.4

Refer Note 43 for trade receivables due from private companies/partnership firm in which Company's Director is a director/partner.

	As at March 31, 2016	As at March 31, 2015
14. OTHER CURRENT ASSETS		
(Unsecured, considered good unless stated otherwise)		
Unamortized premium on forward contract	34.6	-
Insurance claim receivable	0.1	92.7
Export incentives receivable		
Considered good	2,170.8	710.0
Doubtful	44.8	-
	2,215.6	710.0
Provision for doubtful receivable	44.8	-
	2,170.8	710.0
Interest accrued on deposits	24.7	22.0
Interest accrued on loans to subsidiaries	10.3	-
TOTAL	2,240.5	824.7
15. OTHER NON-CURRENT ASSETS		
(Unsecured, considered good unless stated otherwise)		
Export incentives receivable	272.3	285.2
Non-current bank balances (Refer Note 18)	-	0.3
TOTAL	272.3	285.5

	Face value	As at March 31, 2016		As at March 31, 2015	
		Qty	₹	Qty	₹
16. CURRENT INVESTMENTS					
Current portion of long-term investment (at cost)					
Unquoted, in fully paid equity shares, at lower of cost and market value					
Citadel Aurobindo Biotech Limited, India	100	70,000	–	70,000	–
[Aggregate provision for diminution in value of ₹7.0 (March 31, 2015: ₹7.0)]					
Sino-Pharma Group Datong Weiqida Zhong Khag Pharma Company Limited, China		–	–	10% Paid-in-Capital	196.1
Quoted, in fully paid equity shares, at lower of cost and market value					
Andhra Bank	10	4,520	0.2	4,520	0.3
TOTAL			0.2		196.4
1. Aggregate value of unquoted investments			–		196.1
2. Aggregate value of quoted investments			0.2		0.3
3. Market value of quoted investments			0.2		0.3
4. Aggregate provision for diminution in the value of investments			7.0		7.0

	As at March 31, 2016	As at March 31, 2015
17. INVENTORIES		
(Valued at lower of cost and net realizable value)		
Raw materials [includes in-transit ₹228.6 (March 31, 2015: ₹334.0)]	12,118.0	10,948.6
Packing materials	1,366.3	1,278.6
Work-in-progress	7,954.6	6,478.8
Finished goods [includes in-transit ₹176.9 (March 31, 2015: ₹322.1)]	1,646.2	1,706.1
Stores, spares and consumables	1,230.9	1,038.4
TOTAL	24,316.0	21,450.5

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
18. CASH AND BANK BALANCES				
Cash and cash equivalents				
Cash on hand	–	–	5.4	6.0
Balance with banks:				
On current accounts	–	–	2,326.3	77.5
On cash credit accounts	–	–	962.0	15.3
On unpaid dividend account	–	–	14.4	12.5
	–	–	3,308.1	111.3
Other bank balances				
Margin money deposits*	–	0.3	–	–
	–	0.3	–	–
Amount disclosed under non-current assets (Refer Note 15)	–	(0.3)	–	–
TOTAL	–	–	3,308.1	111.3
*Given against bank guarantees/performance guarantees				

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015
19. REVENUE FROM OPERATIONS (GROSS)		
Sale of products	90,773.3	81,639.6
Sale of services	16.3	37.9
Other operating revenue		
Scrap sales	78.6	71.4
Export incentives	2,359.4	699.5
TOTAL	<u>93,227.6</u>	<u>82,448.4</u>
Details of sale of products		
Active Pharmaceutical Ingredients (APIs) & Intermediates	29,656.0	27,294.7
Formulations - Tablets & Capsules	49,004.0	44,213.8
Formulations - Injections	6,946.5	4,514.0
Formulations - Syrups	3,881.1	4,138.5
Trading goods	66.2	195.6
Others	1,219.5	1,283.0
	<u>90,773.3</u>	<u>81,639.6</u>
Details of sale of services		
Dossier income	6.0	12.3
Other service income	10.3	25.6
	<u>16.3</u>	<u>37.9</u>
	Year ended March 31, 2016	Year ended March 31, 2015
20. OTHER INCOME		
Interest income on		
Bank deposits	0.0	1.2
Other deposits and receivables	37.9	86.0
Loans to subsidiaries	10.8	41.4
Dividend income on current investments-trade	-	-
Profit on investments (Net)	63.8	-
Bad debts recovered from trade receivables	0.4	15.6
State subsidy received	215.2	135.1
Foreign exchange gain (Net)	1,440.3	249.0
Miscellaneous income	64.8	143.9
TOTAL	<u>1,833.2</u>	<u>672.2</u>
21. COST OF MATERIALS CONSUMED		
Raw material consumed		
Opening stock	10,948.6	8,611.6
Add: Purchases	41,117.2	37,910.8
	<u>52,065.8</u>	<u>46,522.4</u>
Less: Closing stock	12,118.0	10,948.6
Cost of raw material consumed	39,947.8	35,573.8
Packing materials consumed	4,310.2	3,629.5
TOTAL	<u>44,258.0</u>	<u>39,203.3</u>
Details of cost of materials consumed		
Material name		
6APA	3,400.8	3,483.7
Packing materials consumed	4,310.2	3,629.5
Others	36,547.0	32,090.1
	<u>44,258.0</u>	<u>39,203.3</u>

	Year ended March 31, 2016	Year ended March 31, 2015	(Increase)/decrease March 31, 2016
22. INCREASE IN WORK-IN-PROGRESS AND FINISHED GOODS			
Inventories at the end of the year			
Finished goods	1,646.2	1,706.1	59.9
Work-in-progress	7,954.6	6,478.8	(1,475.8)
	<u>9,600.8</u>	<u>8,184.9</u>	<u>(1,415.9)</u>
Inventories at the beginning of the year			March 31, 2015
Finished goods	1,706.1	1,362.7	(343.4)
Work-in-progress	6,478.8	5,231.3	(1,247.5)
	<u>8,184.9</u>	<u>6,594.0</u>	<u>(1,590.9)</u>
TOTAL	<u>(1,415.9)</u>	<u>(1,590.9)</u>	
Details of inventory			
 Finished goods			
Active Pharmaceutical Ingredients (APIs) & intermediates	762.1	658.7	
Formulations - Tablets & capsules	702.1	829.0	
Formulations - Injections	104.2	153.4	
Formulations - Syrups	77.8	65.0	
	<u>1,646.2</u>	<u>1,706.1</u>	
 Work-in-progress			
Active Pharmaceutical Ingredients (APIs) & intermediates	6,488.2	5,379.9	
Formulations - Tablets & Capsules	1,418.7	1,011.5	
Formulations - Injections	38.9	80.0	
Formulations - Syrups	8.8	7.4	
	<u>7,954.6</u>	<u>6,478.8</u>	
23. EMPLOYEE BENEFIT EXPENSES			
Salaries, wages and bonus	7,432.8	6,061.5	
Contribution to provident and other funds [Refer Note 31 (a)]	238.3	170.0	
Gratuity expense [Refer Note 31 (b)]	128.2	172.1	
Leave encashment expense	158.0	148.9	
Staff welfare expenses	140.6	135.0	
TOTAL	<u>8,097.9</u>	<u>6,687.5</u>	

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015
24. OTHER EXPENSES		
Conversion charges	420.5	481.2
Consumption of stores and spares	1,379.1	1,159.7
Chemicals consumed	1,528.2	1,149.3
Power and fuel	3,930.6	3,401.3
Carriage inward	386.5	478.3
Factory maintenance	240.2	212.5
Effluent treatment expenses	116.2	111.5
(Increase)/decrease of excise duty on inventory (Refer Note 41)	12.2	2.7
Repairs and maintenance		
Plant and machinery	642.6	497.5
Buildings	278.6	284.4
Others	36.8	37.6
Rent (Refer Note 40)	71.1	74.3
Rates and taxes	125.8	141.0
Printing and stationery	114.1	108.7
Postage and telephones	56.1	52.7
Insurance	152.4	139.6
Legal and professional charges	597.4	353.8
Directors sitting fees	2.7	2.4
Remuneration to statutory auditors (Refer Note 37)	17.6	10.9
Sales commission	404.0	269.7
Carriage outwards	1,972.1	2,117.8
Selling expenses	97.0	106.7
Rebates and discounts	83.9	265.3
Travelling and conveyance	176.6	157.6
Vehicle maintenance expenses	4.9	5.3
Analytical charges	538.0	360.9
Provision for diminution on non-current investment	455.0	540.0
Donations (Refer Note 38)	3.4	11.6
Registration and filing charges	1,073.5	756.7
Loss on sale of fixed assets (Net)	10.6	25.0
Provision for doubtful receivables/advances/other assets (Net)	475.4	42.7
Loss on current investments	0.1	-
Corporate social responsibility expenditure (Refer note below)	187.6	81.3
Miscellaneous expenses	577.5	549.3
TOTAL	16,168.3	13,989.3

Details of CSR expenditure	Year ended March 31, 2016	Year ended March 31, 2015
a. Gross amount required to be spent by the Company during the year	282.2	139.8
	In cash	Yet to be paid in cash
b. Amount spent during the year ending on March 31, 2016:		Total
i. Construction/acquisition of any asset	-	-
ii. On purposes other than (i) above	187.6	187.6
Amount spent during the year ending on March 31, 2015:		
i. Construction/acquisition of any asset	-	-
ii. On purposes other than (i) above	81.3	81.3

	Year ended March 31, 2016	Year ended March 31, 2015
25. DEPRECIATION/AMORTIZATION		
Depreciation of tangible assets	2,630.0	2,730.1
Less: Transfer to retained earnings*	-	278.6
TOTAL	2,630.0	2,451.5
*During last year, based on transitional provisions, an amount of ₹196.35 (net of deferred tax) has been adjusted with opening retained earnings.		
26. FINANCE COSTS		
Interest	595.6	495.7
Bank charges	57.1	70.1
Exchange difference to the extent considered as an adjustment to borrowing costs	1,640.4	755.6
TOTAL	2,293.1	1,321.4

27. Capital and other commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for ₹2,901.3 (March 31, 2015: ₹3,538.0).

28. Contingent liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding bank guarantees	989.0	718.5
Corporate guarantees for loans taken by 100% subsidiaries**	6,267.5	3,090.7
Claims arising from disputes not acknowledged as debts		
- indirect taxes (excise duty and service tax)*#	282.4	272.4
Claims arising from disputes not acknowledged as debts - direct taxes*	308.8	308.8
Claims against the Company not acknowledged as debts - other duties/claims*	150.3	150.3
Bills discounted with banks	8,425.8	1,048.5

* In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Excludes ₹13.4 (March 31, 2015: ₹13.4) where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. All these cases are under litigation and are pending with various authorities, expected timing of resulting outflow of economic benefits cannot be specified.

** Business requirement in respective subsidiaries.

29. Earning per equity share

Particulars	As at March 31, 2016	As at March 31, 2015
Profit after taxation considered for calculation of basic and diluted earnings per share	16,196.7	15,163.5
Weighted average number of equity shares considered for calculation of basic earnings per share (a)*	584,157,080	583,520,367
Effect of dilution on account of Employee Stock Options granted (b)*	162,549	245,810
Weighted average number of equity shares considered for calculation of diluted earnings per share (a+b)*	584,319,629	583,766,177

*Adjusted for bonus issue

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

30. Employee Stock Option Plan 'ESOP-2006'

The Company instituted an Employee Stock Option Plan 'ESOP-2006' as per the special resolution passed in the 19th Annual General Meeting held on September 18, 2006. This scheme has been formulated in accordance with the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The compensation committee accordingly, granted total 3,240,500 options under seven grants of 175,000; 25,000; 90,000; 1,205,000; 300,000; 500,000; 915,500 and 30,000 options to eligible employees on October 30, 2006; July 31, 2007; October 31, 2007; December 16, 2011; June 19, 2012; January 9, 2013; January 28, 2013 and August 9, 2013 respectively. The method of settlement under scheme is by issue of equity shares of the Company. Each option comprises of one underlying equity share of ₹1 each. The said options vest on an annual basis at 10%, 15%, 25% and 50% over a period of four years and can be exercised over a period of six years from the date of grant of options. The options have been granted at the then prevailing market price of ₹120.70, ₹132.35, ₹114.50, ₹91.60, ₹106.05, ₹200.70, ₹187.40 and ₹161.30 per share respectively and hence the question of accounting for employee deferred compensation expenses does not arise as the Company follows intrinsic value method.

The details of options outstanding of ESOP 2006 Scheme:

	Year ended March 31, 2016	Year ended March 31, 2015
Options outstanding at the beginning of the year	1,556,145	2,131,369
Granted during the year	-	-
Additional options on adjustment of bonus issue @1:1 on July 22, 2015	1,143,470	-
Vested/exercisable during the year	1,497,564	474,570
Exercised during the year	1,205,036	525,254
Forfeited during the year subject to reissue	467,459	49,970
Options outstanding at end of the year	1,027,120	1,556,145
Exercisable at the end of the year	351,950	22,548
Weighted average exercise price for all the above options (₹)*	60.27	107.52
Weighted average fair value of options at the date of grant (₹)*	71.57	127.63

*For March 31, 2015 not adjusted for bonus issue

	Range of exercise prices (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)
As at March 31, 2016	45 to 101	1,027,120	2.59
As at March 31, 2015	91 to 201	1,556,145	3.41

Disclosures as per Fair Value Method

The Company's net profit and earnings per share would have been as under, had the compensation cost for employees' stock options been recognized based on the fair value at the date of grant in accordance with 'Black Scholes' model.

	Year ended March 31, 2016	Year ended March 31, 2015
Profit after taxation		
As reported in Statement of Profit and Loss	16,196.7	15,163.5
Less: Additional employee compensation cost based on Fair Value	17.9	23.6
Profit after taxation as per Fair Value Method	16,178.8	15,139.9
Earnings per share		
Basic		
No. of shares*	584,157,080	583,520,367
EPS as reported (₹)	27.73	26.00
EPS as per Fair Value Method (₹)	27.70	25.95
Diluted		
No. of shares*	584,319,629	583,766,177
EPS as reported (₹)	27.72	25.98
EPS as per Fair Value Method (₹)	27.69	25.93

*adjusted for bonus issue

The following assumptions were used for calculation of fair value of grants:

		Year ended March 31, 2016 ESOP 2006	Year ended March 31, 2015 ESOP 2006
Risk-free interest rate	(%)	8	8
Expected life of options	(Years)	6	6
Expected volatility	(%)	0.15	0.15
Dividend yield	(%)	100	61

31. Employee benefits

	Year ended March 31, 2016	Year ended March 31, 2015
a. Disclosures related to defined contribution plan		
Provident fund contribution recognized as expense in the Statement of Profit and Loss	220.2	153.1

b. Disclosures related to defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days last drawn salary for each completed year of service.

The scheme is funded with an insurance company in the form of a qualifying insurance policy. The following tables summarise the components of net benefit expense recognized in the statement of profit and loss, the fund status and balance sheet position:

Statement of Profit and Loss

	Year ended March 31, 2016	Year ended March 31, 2015
Net employee benefit expense (included under employee benefit expenses)		
Current service cost	87.2	54.8
Interest cost on benefit obligation	45.5	36.0
Expected return on plan assets	(20.2)	(19.0)
Net actuarial (gain)/loss recognized in the year	22.0	101.7
Net benefit expense*	134.4	173.5
Actual return on plan assets	20.3	19.6

*Includes ₹6.2 (March 31, 2015: ₹1.5) transferred to capital work-in-progress

Balance Sheet

	As at March 31, 2016	As at March 31, 2015
Details of provision for gratuity		
Defined benefit obligation (DBO)*	618.1	503.4
Fair value of plan assets (FVA)**	340.5	246.9
Net plan liability	277.6	256.5

*DBO as at March 31, 2014: ₹341.0; March 31, 2013: ₹317.7; March 31, 2012: ₹240.9.

**FVPA as at March 31, 2014: ₹228.1; March 31, 2013: ₹202.7; March 31, 2012: ₹174.7.

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Changes in the present value of the defined benefit obligation for gratuity are as follows:

	Year ended March 31, 2016	Year ended March 31, 2015
Opening defined benefit obligation	503.4	341.1
Current service cost	87.2	54.8
Interest cost	45.5	36.0
Benefits paid	(40.0)	(30.8)
Actuarial losses on obligation*	22.0	102.3
Closing defined benefit obligation	618.1	503.4

* Experience adjustments on plan liabilities March 31, 2016: ₹11.8; March 31, 2015: ₹12.9; March 31, 2014: ₹9.7; March 31, 2013: ₹4.7 and March 31, 2012: ₹12.6.

Changes in fair value of plan assets

	Year ended March 31, 2016	Year ended March 31, 2015
Opening fair value of plan assets	246.9	228.1
Expected return	20.2	19.0
Contributions by employer	113.3	30.0
Benefits paid	(40.0)	(30.8)
Actuarial gains*	0.1	0.6
Closing fair value of plan assets	340.5	246.9

* Experience adjustments on plan assets March 31, 2016: ₹0.00; March 31, 2015: ₹0.6 and March 31, 2014: ₹0.01; March 31, 2013: ₹0.3 and March 31, 2012: ₹3.3.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	As at March 31, 2016	As at March 31, 2015
Discount rate (p.a.) (%)	7.95	7.90
Expected return on assets (p.a.) (%)	8.00	8.00
Employee turnover:		
Age (Years)		
21-30 (%)	8	8
31-40 (%)	4	4
41-57 (%)	1	1

Notes:

1. The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
2. Percentage of plan assets as a percentage of the fair value of total plan assets with insurer is 100%.
3. The expected rate of return on assets is based on the expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.
4. The Company expects to contribute ₹65.0 (March 31, 2015: ₹30.0) to the qualifying insurance policy in 2016-17.

32. Capital work-in-progress includes expenditure during construction period pending capitalization:

	As at March 31, 2016	As at March 31, 2015
Balance brought forward	367.0	485.5
Add: Incurred during the year		
Salaries, wages and bonus	315.9	43.1
Consumption of material for testing	196.3	-
Consumption of stores and spares	118.6	-
Carriage inward	1.2	0.2
Power and fuel	100.2	5.4
Conversion charges	29.9	1.7
Rates and taxes	1.9	2.3
Printing and stationery	8.6	0.2
Postage and telephones	1.2	0.1
Insurance	1.2	0.9
Legal and professional charges	2.5	0.1
Travelling and conveyance	11.1	1.0
Depreciation	3.1	2.3
Factory maintenance	25.5	5.2
Miscellaneous expenses	47.6	10.5
	1,231.8	558.5
Less: Capitalized to fixed assets during the year	271.6	191.5
Balance carried forward	960.2	367.0

33. Disclosure regarding derivative financial instruments

- a. The aggregate amount of forward contracts entered into by the Company and remaining outstanding as at Balance Sheet date are:

Hedge - To sell against	In foreign currency		In Rupees	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Receivable	\$7,000,095	-	463.8	-
Short-term borrowings	\$10,525,000	-	697.3	-
Receivable	£4,800,000	-	458.3	-
Receivable	€10,204,772	-	769.4	-

- b. Particulars of unhedged foreign currency exposure are detailed below at the exchange rate prevailing as at the Balance Sheet date:

Particulars	As at March 31, 2016	As at March 31, 2015
Loans availed	(31,646.4)	(31,929.3)
Trade receivables	25,924.4	29,718.3
Loans and advances (including other current assets)	266.5	361.7
Trade payables (including creditors for capital goods)	(4,624.0)	(3,693.8)
Interest accrued but not due	(37.7)	(87.4)
Investments	7,050.0	7,114.5
Bank balances	2,177.4	53.6

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

34. Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

Details	As at March 31, 2016	As at March 31, 2015
The principal amount remaining unpaid as at the end of the year.	276.3	-
The amount of interest accrued and remaining unpaid at the end of the year.	-	-
Amount of interest paid by the Company in terms of Section 16 of Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	-	-
Amount of interest due and payable for the period of delay in making payment without the interest specified under the Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

35. In respect of the amounts mentioned under Section 125 of the Companies Act, 2013 there are no dues that are to be credited to the Investor Education and Protection Fund as at March 31, 2016 (March 31, 2015: ₹Nil).

36. Research and Development expenses

a. Details of Research and Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss are given below:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Material and stores and spares consumption	859.3	605.2
Power and fuel	82.0	84.7
Repairs and maintenance	34.4	15.7
Employee benefit expenses	959.7	861.1
Analytical charges	507.2	341.1
Legal & professional charges	269.8	224.7
Registration and filing fee	1,036.3	689.2
Depreciation	229.3	237.5
Others	140.9	123.2
TOTAL	4,118.9	3,182.4

b. Details of capital expenditure incurred for Research and Development are given below:

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Buildings	8.9	34.1
Plant and machinery		
- Plant and machinery	52.7	73.7
- Lab equipment	197.9	219.4
- Pipes and valves	4.9	11.4
- Data processing equipment	12.0	22.8
- Electrical Installations	4.7	20.6
Office equipment	4.1	8.0
Furniture	21.4	26.4
TOTAL	306.6	416.4

37. Remuneration to statutory auditors

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
As auditors		
Statutory audit	7.9	6.9
Limited review	2.1	2.1
In other capacity		
Certification	0.7	0.1
Others	6.0	1.0
Reimbursement of expenses and taxes	0.9	0.8
TOTAL	17.6	10.9

38. Donation to political parties

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Communist Party of India (Marxist)	0.5	2.1
Communist Party of India	-	1.2
Andhra Pradesh Congress Committee	-	1.0
Bharatiya Janata Party	-	2.0
Telangana Rashtra Samithi	-	2.5
TOTAL	0.5	8.8

39. Related party disclosures

Names of related parties and description of relationship

Subsidiaries

1. APL Pharma Thai Limited, Thailand
2. All Pharma (Shanghai) Trading Company Limited, China
3. Aurobindo Pharma USA Inc., U.S.A.
4. Aurobindo Pharma Industria Farmaceutica Ltda, Brazil
5. Helix Healthcare B.V., The Netherlands
6. APL Holdings (Jersey) Limited, Jersey (Liquidated w.e.f. November 18, 2015)
7. Aurobindo Pharma Produtos Farmaceuticos Ltda, Brazil
8. APL Healthcare Limited, India
9. Auronext Pharma Private Limited, India
10. APL Research Centre Limited, India
11. Auro Pharma Inc., Canada
12. Aurobindo Pharma (Pty) Limited, South Africa
13. Aurobindo Pharma (Australia) Pty Limited, Australia (Liquidated w.e.f. April 10, 2015)
14. Agile Pharma B.V., The Netherlands
15. Auro Healthcare (Nigeria) Limited, Nigeria
16. Aurobindo Ilac Sanayi Ve Ticaret Limited, Turkey
17. Aurobindo Pharma (Singapore) Pte Limited, Singapore (Liquidated w.e.f. December 31, 2015)
18. Aurobindo Pharma Japan K.K., Japan
19. Aurex B.V. (formerly Pharmacin B.V.), The Netherlands
20. Aurobindo Pharma GmbH, Germany
21. Aurobindo Pharma (Portugal) Unipessoal lda., Portugal
22. Laboratorios Aurobindo S.L., Spain
23. Agile Malta Holdings Limited, Malta (Merged with Aurobindo Pharma (Malta) Limited w.e.f. January 1, 2015)
24. Aurobindo Pharma B.V., The Netherlands*
25. Aurobindo Pharma (Romania) s.r.l., Romania
26. Aurobindo Pharma (Italia) S.r.l., Italy
27. Aurobindo Pharma (Malta) Limited, Malta
28. APL IP Company Limited, Jersey (Liquidated w.e.f. November 18, 2015)

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

29. APL Swift Services (Malta) Limited, Malta
 30. Milpharm Limited, U.K.
 31. Aurolife Pharma LLC, U.S.A.
 32. Auro Peptides Limited, India
 33. Auro Medics Pharma LLC, U.S.A.
 34. Aurobindo Pharma NZ Limited, New Zealand (Liquidated w.e.f. April 10, 2015)
 35. Aurovida Farmaceutica S.A. DE C.V., Mexico
 36. Curepro Parenterals Limited, India
 37. Hyacinths Pharma Private Limited, India
 38. Silicon Life Sciences Private Limited, India
 39. AuroZymes Limited, India
 40. Eugia Pharma Specialities Limited, India
 41. Aurobindo Pharma Columbia S.A.S., Columbia
 42. Aurovitas Unipessioal LDA, Portugal
 43. Arrow Generiques SAS, France (w.e.f April 1, 2014)
 44. Actavis B.V., The Netherlands*
 45. Auro Health LLC, U.S.A.
 46. Aurobindo Antibiotics Limited, India
 47. Aurovitas S.L., Spain (Incorporated during previous year and closed w.e.f. December 2, 2014)
 48. Pharmacin B.V. (Formerly Aurex B.V.), The Netherlands
 49. Actavis France SAS, France (Merged with Arrow Generiques SAS w.e.f. April 1, 2015)
 50. 1980 Puren Pharma GmbH (Formerly Actavis Management GmbH), Germany (w.e.f. April 1, 2014)
 51. Puren Pharma GmbH & Co. KG (formerly Actavis Deutschland GmbH & Co. KG), Germany (w.e.f. April 1, 2014)
 52. Aurovitas Spain SA (formerly Actavis Spain SA) (w.e.f. April 1, 2014)
 53. Natrol LLC, U.S.A. (w.e.f. December 4, 2014)
 54. Tergene Biotech Private Limited, India (w.e.f. April 1, 2015)
 55. Aurobindo Pharma Limited S.R.L., Dominican Republic (Liquidated w.e.f. December 18, 2014)
- * Aurobindo Pharma B.V. was merged with Actavis B.V. Subsequently, the name of Actavis B.V. was changed to Aurobindo Pharma B.V. w.e.f. July 1, 2015.

Joint ventures

1. Novagen Pharma (Pty) Limited, South Africa (Joint Venture of a Subsidiary)

Enterprises over which key management personnel or their relatives exercise significant influence

1. Pravesha Industries Private Limited, India
2. Sri Sai Packaging, India (Partnership firm)
3. Trident Chemphar Limited, India
4. Auropro Soft Systems Private Limited, India
5. Axis Clinicals Limited, India
6. Pranit Projects Private Limited, India
7. Pranit Packaging Private Limited, India
8. Cogent Glass Limited, India
9. Orem Access Bio Inc, India
10. Veritaz Healthcare Limited, India
11. Alex Merchant Pte. Limited, Singapore
12. Trident Petrochemicals DMCC, Dubai

Key managerial personnel

1. Mr. K. Nithyananda Reddy, Whole-time Director
2. Dr. M. Sivakumaran, Whole-time Director
3. Mr. M. Madan Mohan Reddy, Whole-time Director
4. Mr. N. Govindarajan, Managing Director
5. Mr. Sudhir B. Singhi, Chief Financial Officer (upto June 30, 2014)
6. Mr. Santhanam Subramanian, Chief Financial Officer (w.e.f. July 1, 2014)
7. Mr. A. Mohan Rami Reddy, Company Secretary

Relatives to key managerial personnel

1. Mr. P. Sarath Chandra Reddy (Son-in-law of Mr. K. Nithyananda Reddy, Whole-time Director)
2. Mr. Vishnu M. Sriram (Son-in-law of Dr. M. Sivakumaran, Whole-time Director)

Transactions with related parties

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
a. Loans given and repayment thereof		
Transactions with subsidiaries		
Helix Healthcare B.V., The Netherlands		
Receipt against loan and interest	–	781.4
Interest accrued	–	6.2
Balance receivable	–	–
Auro Peptides Limited, India		
Receipt against loan and interest	–	502.1
Interest accrued	–	34.3
Loan given	–	174.1
Balance receivable	–	–
AuroZymes Limited, India		
Receipt against loan and interest	–	0.8
Interest accrued	2.8	0.8
Loan given	19.5	20.5
Balance receivable	42.8	20.5
Silicon Life Sciences Private Limited, India		
Receipt against loan and interest	–	0.1
Interest accrued	7.9	0.1
Loan given	195.0	7.5
Balance receivable	210.4	7.5
b. Sale/purchase of goods, services and other transactions		
Transactions with subsidiaries		
APL Pharma Thai Limited, Thailand		
Sale of goods	485.9	261.6
Balance receivable	361.9	102.3
ALL Pharma (Shanghai) Trading Company Limited, China		
Purchases	1,045.6	2,648.4
Reimbursement of expenses	12.5	10.8
Purchase of fixed assets	44.3	7.0
Sale of goods	–	0.9
Balance receivable	1.0	1.0
Balance payable	21.3	885.3
Helix Healthcare B.V., The Netherlands		
Equity contribution	820.2	373.0
Corporate guarantee for loans	2,337.2	2,082.9
Aurobindo Pharma Produtos Farmaceuticos Ltda, Brazil		
Sale of goods	642.5	520.5
Reimbursement of expenses	1.7	2.5
Sales Commission	16.8	17.8
Balance receivable	532.7	509.0
Balance payable	1.9	3.2
APL Swift Services (Malta) Limited, Malta		
Sale of goods	2,412.1	2,512.5
Commission	–	0.2
Reimbursement of expenses	19.9	9.0
Balance receivable	2,428.9	1,863.1
Balance payable	7.9	3.0
Aurobindo Pharma USA Inc., U.S.A.		
Sale of goods	22,023.5	21,471.0
Reimbursement of expenses	19.6	2.0

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Purchases	28.7	-
Balance receivable	15,132.6	16,815.2
Balance payable	8.7	7.1
Corporate guarantee for loans	7,155.5	-
Aurobindo Pharma Industria Farmaceutica Ltda, Brazil		
Sale of goods	572.7	698.4
Reimbursement of expenses	8.8	5.0
Balance receivable	135.7	289.9
Balance payable	-	0.9
Auro Pharma Inc., Canada		
Sale of goods	364.4	180.1
Reimbursement of expenses	0.9	0.8
Balance receivable	317.8	111.5
Balance payable	6.7	11.1
Aurobindo Pharma (Pty) Limited, South Africa		
Sale of goods	365.3	352.0
Reimbursement of expenses paid	0.2	0.4
Reimbursement of expenses received	-	0.5
Sales Commission	18.9	-
Balance receivable	124.5	158.6
Balance payable	18.9	-
Pharmacin B.V., The Netherlands (Formerly Aurex B.V.)		
Sale of goods	4.7	-
Balance receivable	2.9	-
Aurex B.V., The Netherlands (Formerly Pharmacin B.V.)		
Sale of goods	88.3	54.3
Sales Commission	-	58.7
Reimbursement of expenses	22.6	0.1
Balance receivable	58.2	3.4
Milpharm Limited, U.K.		
Sale of goods	1,089.7	98.7
Reimbursement of expenses	20.6	7.7
Balance receivable	856.5	34.3
Balance payable	12.6	5.0
Aurolife Pharma LLC, U.S.A.		
Sale of goods	2,879.1	1,704.6
Reimbursement of expenses	1.2	0.1
Reimbursement of expenses received	-	13.1
Balance receivable	1,265.5	931.6
Aurobindo Pharma Japan K.K., Japan		
Sale of goods	302.4	31.0
Reimbursement of expenses	0.1	0.3
Sales Commission	25.1	36.4
Balance receivable	201.4	18.4
Balance payable	-	4.0
Aurobindo Pharma (Malta) Limited, Malta		
Reimbursement of expenses	0.1	129.9
Balance payable	0.8	-
Auronext Pharma Private Limited, India		
Sale of goods	87.6	44.8
Purchases	46.9	78.6
Rent received	1.8	1.6
Reimbursement of expenses	13.6	16.2

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Equity allotment	119.7	400.5
Balance receivable	78.0	30.0
Balance payable	5.7	-
Investment in 9.5% cumulative redeemable preference shares	280.0	-
Aurobindo Pharma (Australia) Pty Limited, Australia		
Sale of goods	-	72.0
Reimbursement of expenses	-	9.7
Balance receivable	-	72.1
Balance payable	-	3.2
Laboratorios Aurobindo S.L., Spain		
Sale of goods	715.3	532.2
Reimbursement of expenses	1.5	2.1
Reimbursement of expenses received	2.1	-
Balance receivable	581.1	352.4
Auro Medics Pharma LLC, U.S.A.		
Sale of goods	5,778.2	3,358.2
Reimbursement of expenses received	0.3	-
Balance receivable	3,960.0	1,905.3
Auro Healthcare (Nigeria) Limited, Nigeria		
Sales commission	3.3	2.1
APL Healthcare Limited, India		
Sale of goods	-	0.4
Sale of fixed assets	-	3.3
Reimbursement of expenses received	0.8	0.8
Balance receivable	1.9	2.3
Equity allotment	319.6	415.0
APL Research Centre Limited, India		
Equity allotment	1.6	3.0
Curepro Parenterals Limited, India		
Equity allotment	545.0	90.0
Hyacinths Pharma Private Limited, India		
Equity allotment	12.5	3.8
Auro Peptides Limited, India		
Investment in 9.5% cumulative redeemable preference shares	160.0	500.0
Rent received	6.3	5.4
Reimbursement of expenses received	32.9	25.0
Purchase of fixed assets	0.1	-
Sale of goods	3.2	4.9
Purchases	64.7	12.7
Balance receivable	0.8	13.3
Balance payable	9.0	-
Silicon Life Sciences Private Limited, India		
Sale of goods	170.7	156.3
Sale of fixed assets	2.0	3.6
Purchases	151.6	76.1
Purchase of services	5.8	26.1
Reimbursement of expenses received	0.2	3.7
Balance receivable	186.3	157.9
Balance payable	13.1	3.6
Equity allotment	12.5	156.3
Eugia Pharma Specialities Limited, India		
Sale of goods	4.2	0.0
Sale of fixed assets	1.2	0.3

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Reimbursement of Expenses Received	–	1.1
Balance receivable	–	0.9
Aurovida Farmaceutica, SA DE CV, Mexico		
Sale of goods	2.9	7.0
Balance receivable	1.1	7.3
Aurobindo Pharma B.V., The Netherlands*		
Sale of goods	–	73.6
Reimbursement of expenses	–	0.3
Balance payable	–	0.2
Balance receivable	–	51.9
Aurobindo Pharma, Portugal		
Reimbursement of expenses	27.6	0.0
Balance payable	4.7	–
Aurobindo Pharma France SARL, France		
Reimbursement of expenses	–	0.1
Aurobindo Colombia S.A.S., Colombia		
Sale of goods	39.1	72.6
Reimbursement of expenses	1.3	2.7
Balance receivable	54.9	75.0
Arrow Generiques S.A.S., France		
Sale of goods	–	38.7
Reimbursement of expenses	0.9	–
Reimbursement of expenses received	3.1	–
Balance receivable	2.9	8.9
Aurobindo Pharma B.V. (formerly Actavis B.V.), The Netherlands*		
Sale of goods	315.5	50.7
Reimbursement of expenses	13.0	2.1
Balance receivable	240.8	24.1
Balance payable	0.3	2.0
Agile Pharma B.V., The Netherlands		
Corporate guarantee for loans	1,130.9	1,007.9
Aurovitas Spain SAS, Spain		
Sale of goods	26.4	–
Reimbursement of expenses received	0.2	–
Balance receivable	26.6	–
Balance payable	0.2	–
Aurovitas Unipessol, Portugal		
Reimbursement of expenses	40.9	–
Balance payable	2.9	–
Aurobindo Pharma GmbH, Germany		
Reimbursement of expenses	3.7	–
Balance receivable	–	–
Aurobindo Pharma Italia, Italy		
Purchases	0.1	–
Balance payable	0.1	–
Tergene Biotech Private Limited, India		
Equity allotment	33.9	–
Investment in 10.5% cumulative redeemable preference shares	40.0	–
Aurobindo Antibiotics Limited, India		
Share application money	12.5	–

Note: For closing balance of investments and provision for diminution in value of investments, Refer Note 11.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
c. Sale/purchase of goods, services and other transactions		
Transactions with joint venture		
Novagen Pharma (Pty) Limited, South Africa		
Sale of goods	558.1	164.9
Reimbursement of expenses received	0.2	0.1
Balance receivable	143.3	37.4
d. Transactions with enterprises over which key management personnel or their relatives exercise significant influence		
Pravesha Industries Private Limited, India		
Sale of goods	-	0.2
Purchases	1,755.5	1,471.9
Rent and electricity charges received	1.0	0.3
Balance payable	-	0.6
Balance receivable	0.1	-
Sri Sai Packaging, India		
Sale of goods	0.4	0.3
Purchases	195.6	168.9
Balance receivable	0.0	0.0
Axis Clinicals Limited, India		
Purchase of services	438.9	308.0
Balance payable	79.0	22.7
Axis Clinicals LLC, U.S.A.		
Purchase of services	10.5	-
Balance payable	5.2	-
Trident Chemphar Limited, India		
Sale of goods	-	77.3
Purchases	696.1	1,198.7
Balance payable	108.4	64.9
Auropro Soft Systems Private Limited, India		
Purchases	-	2.5
Purchase of services	-	3.7
Pranit Packaging Private Limited, India		
Purchases	165.3	121.4
Sale of goods	-	-
Balance receivable	-	0.6
Pranit Projects Private Limited, India		
Purchase of services (Civil services)	19.5	49.7
Cogent Glass Limited, India		
Purchases	561.7	446.6
Balance payable	135.6	25.6
Orem Access Bio Inc, India		
Purchases	114.3	85.5
Balance payable	-	-
Veritaz Healthcare Limited, India		
Sale of goods	2.7	7.1
Purchase of services	-	14.5
Rent received	0.3	0.3
Payables	-	0.0
Balance receivable	2.7	4.6

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Alex Merchant Pte. Limited, Singapore		
Purchases	–	309.1
Balance receivable	–	8.4
Trident Petrochemicals DMCC, Dubai		
Purchases	164.6	156.3
Balance receivable	–	39.9
Balance payable	0.1	–
e. Transactions with key managerial personnel or their relatives		
Mr. K. Nithyananda Reddy		
Managerial remuneration	14.3	10.5
Rent expense	2.2	2.0
Dr. M. Sivakumaran		
Managerial remuneration	14.3	10.5
Mr. M. Madan Mohan Reddy		
Managerial remuneration	15.2	10.5
Mr. P. Sarath Chandra Reddy		
Director sitting fees	0.4	0.4
Mr. Vishnu M. Sriram		
Remuneration	4.4	4.1
Equity allotment–ESOP	0.2	0.2
Mr. N. Govindarajan		
Managerial remuneration	90.5	59.7
Equity allotment – ESOP	22.9	11.5
Balance payable	65.0	40.0
Mr. Sudhir B. Singhi		
Remuneration (upto June 30, 2014)	–	2.5
Mr. Santhanam Subramanian		
Remuneration (w.e.f. July 1, 2014)	11.9	6.6
Balance payable	2.0	–
Mr. A. Mohan Rami Reddy		
Remuneration	3.3	3.9
Equity allotment – ESOP	0.3	0.2
Loan outstanding	–	0.1

Note: Managerial remuneration does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.

f. Loans and advances in the nature of loans to subsidiaries - Maximum amount outstanding

Name of the companies	Closing Balance as at March 31		Maximum outstanding at any time during the year ended March 31	
	2016	2015	2016	2015
Auro Peptides Limited, India	–	–	–	462.1
Helix Healthcare B.V., The Netherlands	–	–	–	746.9
AuroZymes Limited, India	40.0	20.5	40.0	20.5
Silicon Life Sciences Private Limited, India	202.5	7.5	202.5	7.5

40. Leases

a. Operating lease

- i. Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/cancellable at the option of either of the parties except for details in (ii) below. There is no escalation clause in the lease agreement. There are no sub-leases. There are no restrictions imposed by lease arrangements. The aggregate amount of operating lease payments recognized in the Statement of Profit and Loss is ₹71.1 (March 31, 2015: ₹74.3).

The Company has not recognized any contingent rent as expense in the Statement of Profit and Loss.

- ii. The Company has entered into non-cancellable leases for office premises in current year and previous year. These leases have remaining non-cancellable period of 17 months (March 31, 2015: 29 months). The lease includes an escalation clause in the lease agreement. Future minimum lease rentals under non-cancellable operating leases are as follows:

Particulars	March 31, 2016	March 31, 2015
a. Within one year	42.3	40.3
b. After one year and not more than three years	18.0	60.3
c. After three years and not more than five years	–	–

b. Finance lease

Building includes factory buildings acquired on finance lease. The agreement is silent on renewal terms and transfer of legal title at the end of lease term.

The lease agreement did not specify minimum lease payments over the future period. The factory building is acquired on lease at a consideration of ₹25.5 (March 31, 2015: ₹25.5).

The net carrying amount of the buildings obtained on finance lease - ₹10.8 (March 31, 2015: ₹12.1).

41. In accordance with paragraph 10 of Notified Accounting Standard 9 on Revenue Recognition, excise duty on sales amounting to ₹1,565.8 (March 31, 2015: ₹1,497.4) has been reduced from sales in Statement of Profit and Loss and excise duty on increase/decrease in closing stock of finished goods amounting to ₹12.2 (March 31, 2015: ₹2.7) has been debited to the Statement of Profit and Loss.

42. Details of advances due from private companies in which Company's Director is a director:

Pranit Packaging Private Limited, India ₹Nil (March 31, 2015: ₹0.6).

43. i. Details of trade receivables due from private companies in which Company's Director is a director:

Pravesha Industries Private Limited, India ₹0.1 (March 31, 2015: ₹Nil)

- ii. Details of trade receivables due from partnership firm in which Company's Director is a partner:

Sri Sai Packaging, India ₹0.02 (March 31, 2015: ₹0.02)

44. The Board of Directors at their meeting held on September 12, 2013 decided to transfer its injectable unit of the Company on a going concern basis comprising assets and liabilities pertaining to the said unit to its wholly owned subsidiary Curepro Parenterals Limited with effect from April 1, 2014. The same is subject to requisite consent, approval or permission of the statutory or regulatory authorities. Pending such approvals, no effect of this scheme has been given in the financial statements.

45. Interest in joint ventures

Details of interest in jointly controlled entities are given below:

Name of joint venture	Share	Assets	Liabilities	Income	Expenditure	Profit after tax
Novagen Pharma (Pty) Limited	50%	417.4 349.7	149.7 94.1	648.2 667.4	569.5 579.1	78.7 88.3

- a. Contingent liabilities of the above joint ventures ₹Nil (March 31, 2015: ₹Nil).
- b. Capital commitments of the above joint ventures ₹Nil (March 31, 2015: ₹Nil).
- c. Novagen Pharma (Pty) Limited incorporated in South Africa, is engaged in distribution of pharmaceuticals products.
- d. Previous year's figures have been disclosed in italics.
- e. All figures presented above represents Company's share only.

Notes to financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

46. Imported and indigenous raw materials, stores and spares and lab chemicals consumed (excluding expenses incurred during construction period)

	Year ended March 31, 2016		Year ended March 31, 2015	
	%	₹	%	₹
Raw materials and packing material				
Imported	53	23,446.7	55	21,536.3
Indigenous	47	20,811.3	45	17,667.0
TOTAL	100	44,258.0	100	39,203.3
Stores and spares				
Imported	11	151.5	8	97.7
Indigenous	89	1,227.6	92	1,062.0
TOTAL	100	1,379.1	100	1,159.7
Lab chemicals				
Imported	18	280.6	16	184.2
Indigenous	82	1,247.6	84	965.1
TOTAL	100	1,528.2	100	1,149.3

47. Value of imports calculated on CIF basis

	Year ended March 31, 2016	Year ended March 31, 2015
Raw materials and packing materials	22,688.2	21,210.5
Capital goods	2,418.5	1,210.8
Stores and spares	245.0	185.1
Lab chemicals	232.2	171.9
Coal	609.4	493.4
TOTAL	26,193.3	23,271.7

48. Expenditure in foreign currency (accrual basis)

	Year ended March 31, 2016	Year ended March 31, 2015
Travelling and conveyance	11.3	18.0
Sales commission	339.1	298.9
Registration and filing charges	1,073.5	653.8
Legal and professional charges	328.1	256.5
Overseas representative office expenses	151.6	129.7
Interest on loans from banks	500.7	329.6
Others	200.9	370.4
TOTAL	2,605.2	2,056.9

49. Earnings in foreign currency (accrual basis)

	Year ended March 31, 2016	Year ended March 31, 2015
Exports on F.O.B. basis	70,926.8	62,514.1
Interest on loans to subsidiaries	-	6.2
Interest others	1.2	50.4
Receipt on samples	7.0	4.5
Profit on sale of investment	63.8	-
Sale of dossiers/services	16.3	37.8
TOTAL	71,015.1	62,613.0

50. Segment reporting

In accordance with Accounting Standard 17 - Segment Reporting, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

51. The figures of previous year have been regrouped/rearranged, wherever necessary to conform to those of the current year.

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number:101049W/E300004




per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Hyderabad, May 30, 2016

For and on behalf of the Board of Directors of Aurobindo Pharma Limited



N. Govindarajan
Managing Director
DIN: 00050482



Santhanam Subramanian
Chief Financial Officer



Dr. M. Sivakumaran
Director
DIN: 01284320



A. Mohan Rami Reddy
VP (Legal) &
Company Secretary

Independent Auditors' Report

To the Members of
Aurobindo Pharma Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Aurobindo Pharma Limited (hereinafter referred to as 'the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and joint venture, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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 Holding Company, as aforesaid.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and joint venture as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- a. We/the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated 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, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the

- Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the Directors of the Group's companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiaries incorporated in India, refer to our separate report in 'Annexure 1' to this report;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial

position of the Group and joint venture - Refer Note 29 to the consolidated financial statements;

- ii. The Group and joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

Other Matter

The accompanying consolidated financial statements include total assets of ₹76,479,975,683 as at March 31, 2016, and total revenues and net cash inflows of ₹85,949,734,217 and ₹497,759,251 for the year ended on that date, in respect of 52 subsidiaries, and a joint venture, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated

financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and joint venture and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and joint venture, is based solely on the report(s) of such other auditors.

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

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per **Vikas Kumar Pansari**
Partner
Membership Number: 93649

Hyderabad
May 30, 2016

Annexure to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Aurobindo Pharma Limited

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

In conjunction with our audit of the consolidated financial statements of Aurobindo Pharma Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Aurobindo Pharma Limited (hereinafter referred to as the 'Holding Company') and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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 auditors of the subsidiaries 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.

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, the Holding Company, and its subsidiary companies, which are companies incorporated in India, have, maintained 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, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, in so far as it relates to the 11 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, incorporated in India.

For S.R. Batliboi & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per **Vikas Kumar Pansari**
Partner
Membership Number: 93649
Hyderabad
May 30, 2016

Consolidated Balance Sheet as at March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2	585.2	292.0
Reserves and surplus	3	69,982.1	51,267.1
		70,567.3	51,559.1
Minority interest		595.5	258.2
NON-CURRENT LIABILITIES			
Long-term borrowings	4	8,472.0	13,614.7
Deferred tax liabilities	5	2,364.5	2,105.3
Long-term provisions	6	235.4	243.5
		11,071.9	15,963.5
CURRENT LIABILITIES			
Short-term borrowings	7	32,290.2	25,020.8
Trade payables	8	25,267.7	20,511.3
Other current liabilities	9	15,373.7	13,649.5
Short-term provisions	6	1,827.2	2,182.4
		74,758.8	61,364.0
TOTAL		156,993.5	129,144.8
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	10	33,973.0	28,649.7
Intangible assets	11	8,424.8	8,406.7
Tangible assets - Capital work-in-progress	10	9,952.5	4,041.8
Intangible assets - Under development	11	285.1	154.5
Non-current investments	12	1.4	1.4
Deferred tax assets	5	0.9	47.5
Loans and advances	13	4,010.1	4,552.7
Trade receivables	14	-	-
Other non-current assets	16	331.0	302.5
		56,978.8	46,156.8
CURRENT ASSETS			
Current investments	17	0.2	196.5
Inventories	18	40,881.0	36,113.0
Trade receivables	14	41,719.2	35,391.7
Cash and bank balances	19	8,343.9	4,691.1
Loans and advances	13	6,453.8	5,684.2
Other current assets	15	2,616.6	911.5
		100,014.7	82,988.0
TOTAL		156,993.5	129,144.8
Summary of significant accounting policies	1		

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

As per our report of even date.

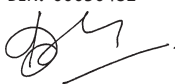
For and on behalf of the Board of Directors of Aurobindo Pharma Limited

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004


per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Hyderabad, May 30, 2016


N. Govindarajan
Managing Director
DIN: 00050482


Santhanam Subramanian
Chief Financial Officer


Dr. M. Sivakumaran
Director
DIN: 01284320


A. Mohan Rami Reddy
VP (Legal) &
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Notes	Year ended March 31, 2016	Year ended March 31, 2015
INCOME			
Revenue from operations (Gross)	20	140,566.5	122,725.3
Less: Excise duty	38	1,605.7	1,520.1
Revenue from operations (Net)		138,960.8	121,205.2
Other income	21	1,662.7	967.1
TOTAL INCOME		140,623.5	122,172.3
EXPENSES			
Cost of materials consumed	22	48,249.0	41,228.1
Purchase of traded goods		14,321.3	17,122.7
Increase in work-in-progress, traded and finished goods	23	(994.9)	(3,294.8)
Employee benefit expenses	24	15,508.4	13,022.6
Other expenses	25	29,821.4	27,490.4
Depreciation/amortization	26	3,926.1	3,326.1
Finance costs	27	2,567.6	1,598.7
TOTAL EXPENSES		113,398.9	100,493.8
PROFIT BEFORE TAX		27,224.6	21,678.5
TAX EXPENSE			
Current tax		7,138.8	5,965.3
MAT credit		-	(99.5)
Deferred tax charge		304.9	(42.2)
Tax relating to earlier years			
Current tax		-	13.1
Deferred tax		-	129.2
TOTAL TAX EXPENSE		7,443.7	5,965.9
PROFIT ATTRIBUTABLE TO		19,780.9	15,712.6
Minority interest		(39.1)	(45.1)
Equity holders of the parent		19,820.0	15,757.7
PROFIT FOR THE YEAR		19,820.0	15,757.7
EARNINGS PER EQUITY SHARE	30		
Basic earnings per share (₹)		33.93	27.03
Diluted earnings per share (₹)		33.92	27.00
Nominal value per equity share (₹)		1.00	1.00
Summary of significant accounting policies	1		

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

As per our report of even date.


For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004



per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Hyderabad, May 30, 2016

For and on behalf of the Board of Directors of Aurobindo Pharma Limited


N. Govindarajan
Managing Director
DIN: 00050482


Santhanam Subramanian
Chief Financial Officer


Dr. M. Sivakumar
Director
DIN: 01284320


A. Mohan Rami Reddy
VP (Legal) &
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015
CASH FLOW FROM		
OPERATING ACTIVITIES		
Profit before tax	27,224.6	21,678.5
<i>Adjustment to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortization	3,926.1	3,326.1
Provision for doubtful receivables/advances/assets (Net)	467.5	365.0
Balances no longer required written back (Net)	(79.0)	(232.5)
Bad debts/advances written off	16.9	-
Unrealized foreign exchange loss (Net)	92.8	472.4
Loss on sale/write-off of fixed assets (Net)	49.9	156.9
Profit on investments (Net)	(63.8)	-
Loss on current investment	0.1	-
Interest expense	793.3	708.6
Interest income	(103.7)	(155.6)
Dividend income on current investment – trade	-	-
Operating profit before working capital changes	32,324.7	26,319.4
Foreign currency translation adjustments	12.1	(578.1)
<i>Movements in working capital:</i>		
Increase/(decrease) in trade payables	5,039.2	(5,076.3)
Increase in inventories	(4,768.0)	(5,730.4)
Increase in trade receivables	(6,735.9)	(2,281.4)
(Increase)/decrease in other current/non-current assets	(1,818.2)	34.5
(Increase)/decrease in loans and advances	(333.5)	953.5
Increase in provision for retirement benefits	117.7	234.1
Increase in other current liabilities	1,115.4	3,448.7
Cash generated from operations	24,953.5	17,324.0
Direct taxes paid (Net of refunds)	(7,357.8)	(4,955.9)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	17,595.7	12,368.1
CASH FLOW USED IN		
INVESTING ACTIVITIES		
Purchase of fixed assets, including capital work-in-progress and capital advances	(15,681.5)	(7,682.9)
Proceeds from sale of fixed assets	189.1	223.9
Amount received on settlement of acquisition of subsidiary	1,379.6	-
Payment for net assets acquired of subsidiaries (Net of cash)	-	(6,860.3)
Proceeds from sale of current investments (Net)	260.0	-
Share application money to others	-	(33.9)
Intercorporate deposit	10.0	(10.0)
Investment in/redemption of bank deposits (Net)	(59.8)	229.2
Interest received	102.0	154.3
Dividend received	-	-
Net cash flow used in investing activities (B)	(13,800.6)	(13,979.7)


(Contd.)

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015
CASH FLOW FROM		
FINANCING ACTIVITIES		
Proceeds from issuance of share capital	72.0	67.6
Proceeds from long-term borrowings	702.7	5,232.9
Repayment of long-term borrowings	(5,875.2)	(1,352.2)
(Repayment) of/proceeds from short-term borrowings (Net)	7,341.0	(473.0)
Interest paid	(823.3)	(738.5)
Dividend	(1,341.9)	(1,527.0)
Tax on dividend	(273.6)	(277.7)
Net cash flow (used in)/generated from financing activities (C)	(198.3)	932.1
Net increase/(decrease) in cash and cash equivalents (A+B+C)	3,596.8	(679.5)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	4,611.0	1,480.2
Add: Cash and cash equivalents on acquisition	40.7	3,795.2
Effect of exchange differences on cash and cash equivalents	(3.0)	15.1
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8,245.5	4,611.0
Components of cash and cash equivalents		
Cash on hand	8.2	7.9
Balance with banks		
on current account	6,726.7	4,316.0
on cash credit account	962.0	15.3
on deposit account	691.3	356.7
on unpaid dividend account*	14.4	12.5
Cash and bank balances as per Consolidated Balance Sheet	8,402.6	4,708.4
Less: Fixed deposits considered as investing activities	(157.1)	(97.4)
Cash and cash equivalents considered for cash flows (Refer Note 19)	8,245.5	4,611.0
Summary of significant accounting policies (Refer Note 1)		
*The Group can utilize these balances only towards settlement of unpaid dividend.		

As per our report of even date.


For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004



per **Vikas Kumar Pansari**
Partner
Membership No. 93649

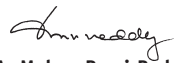
Hyderabad, May 30, 2016

For and on behalf of the Board of Directors of Aurobindo Pharma Limited


N. Govindarajan
Managing Director
DIN: 00050482


Santhanam Subramanian
Chief Financial Officer


Dr. M. Sivakumaran
Director
DIN: 01284320


A. Mohan Rami Reddy
VP (Legal) &
Company Secretary

Notes to Consolidated Financial Statements for the year ended March 31, 2016

1. Statement of significant accounting policies

a. Basis of consolidation

The Consolidated Financial Statements of Aurobindo Pharma Limited ('APL' or 'the Parent Company' or 'Holding Company') together with its subsidiaries (collectively termed as 'the Group') and joint venture (collectively termed as 'the Consolidated Entities') are prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial

statements. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except as disclosed in (b) below.

Investments in subsidiaries, except where investments are acquired exclusively with a view to its subsequent disposal in the immediate near future, are accounted in accordance with accounting principles as defined under AS 21 'Consolidated Financial Statements' on a line by line basis.

Investments in joint venture has been accounted using proportionate consolidation method as per AS 27 'Financial Reporting of Interests in Joint Ventures'.

All material inter-company balances and inter-company transactions and resulting unrealised profits or losses are eliminated on consolidation.

Elimination of unrealized profits or losses in

joint venture entities is to the extent of Group's share in the joint venture.

Minorities' interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Group. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity in the absence of the contractual obligation on the minorities, the same are accounted for by the Group.

The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company i.e. year ended March 31, 2016.

The Consolidated Financial Statements for the year ended March 31, 2016 have been prepared on the basis of the financial statements of the following subsidiaries and joint venture entities:

Sl. No.	Name of the consolidated entities	Country of incorporation	Nature of interest	% of interest March 31,	
				2016	2015
1.	APL Pharma Thai Limited	Thailand	Subsidiary	97.9	97.9
2.	Aurobindo Pharma Industria Farmaceutica Ltda	Brazil	Subsidiary	99.97	99.97
3.	Helix Healthcare B.V.	The Netherlands	Subsidiary	100	100
4.	Aurobindo Pharma USA Inc.	U.S.A.	Subsidiary	100	100
5.	Auro Pharma Inc.	Canada	Subsidiary	100	100
6.	Aurobindo Pharma (Pty) Limited	South Africa	Subsidiary	100	100
7.	Milpharm Limited	U.K.	Subsidiary	100	100
8.	Agile Pharma B.V.	The Netherlands	Subsidiary	100	100
9.	Aurobindo Pharma (Australia) Pty Limited ¹	Australia	Subsidiary	-	100
10.	Auro Healthcare (Nigeria) Limited	Nigeria	Subsidiary	100	100
11.	Aurex B.V. (Formerly Pharmacin B.V.)	The Netherlands	Subsidiary	100	100
12.	Aurobindo Pharma Produtos Farmaceuticos Ltda	Brazil	Subsidiary	100	100
13.	All Pharma (Shanghai) Trading Company Limited	China	Subsidiary	100	100
14.	APL Holdings (Jersey) Limited ²	Jersey	Subsidiary	-	100
15.	APL IP Company Limited ²	Jersey	Subsidiary	-	100
16.	Aurobindo Pharma Japan K.K.	Japan	Subsidiary	100	100
17.	Agile Malta Holdings Limited ³	Malta	Subsidiary	-	-
18.	Aurobindo Pharma (Malta) Limited	Malta	Subsidiary	100	100
19.	APL Swift Services (Malta) Limited	Malta	Subsidiary	100	100
20.	Laboratorios Aurobindo, S.L.	Spain	Subsidiary	100	100
21.	Aurobindo Pharma (Italia) S.r.l.	Italy	Subsidiary	100	100
22.	Aurobindo Pharma (Portugal) Unipessoal Lda	Portugal	Subsidiary	100	100
23.	Aurobindo Pharma France SARL ⁴	France	Subsidiary	-	-
24.	Aurolife Pharma LLC	USA	Subsidiary	100	100
25.	Aurobindo Pharma GmbH	Germany	Subsidiary	100	100

(Contd...)

Sl. No.	Name of the consolidated entities	Country of incorporation	Nature of interest	% of interest March 31,	
				2016	2015
26.	Aurobindo Ilac Sanayi Ve Ticaret Limited Sirketi	Turkey	Subsidiary	100	100
27.	APL Research Centre Limited	India	Subsidiary	100	100
28.	APL Healthcare Limited	India	Subsidiary	100	100
29.	Novagen Pharma (Pty) Limited	South Africa	Joint Venture	50	50
30.	Auronext Pharma Private Limited ⁵	India	Subsidiary	100	83.42
31.	Aurobindo Pharma (Singapore) Pte Limited ⁶	Singapore	Subsidiary	–	100
32.	Aurobindo Pharma B.V. ⁷	The Netherlands	Subsidiary	–	100
33.	Aurobindo Pharma (Romania) s.r.l.	Romania	Subsidiary	100	100
34.	Aurobindo Pharma Limited, s.r.l. ⁸	Dominican Republic	Subsidiary	–	–
35.	Auro Peptides Limited	India	Subsidiary	95	95
36.	Auro Medics Pharma LLC	U.S.A.	Subsidiary	100	100
37.	Aurobindo Pharma NZ Limited ⁹	New Zealand	Subsidiary	–	100
38.	Aurovida Farmaceutica S.A. de C.V.	Mexico	Subsidiary	100	100
39.	Auro Health LLC	U.S.A.	Subsidiary	100	100
40.	Aurobindo Antibiotics Limited	India	Subsidiary	100	100
41.	Aurobindo Pharma Colombia S.A.S.	Colombia	Subsidiary	100	100
42.	Aurovitas Unipessoal LDA	Portugal	Subsidiary	100	100
43.	Curepro Parenterals Limited	India	Subsidiary	100	100
44.	Eugia Pharma Specialities Limited	India	Subsidiary	60	60
45.	Hyacinths Pharma Private Limited	India	Subsidiary	100	100
46.	Silicon Life Sciences Private Limited	India	Subsidiary	100	100
47.	AuroZymes Limited	India	Subsidiary	100	100
48.	Aurovitas S.L. ¹⁰	Spain	Subsidiary	–	–
49.	Pharmacin B.V. (Formerly Aurex B.V.) ¹¹	The Netherlands	Subsidiary	100	100
50.	Arrow Generiques SAS (w.e.f. April 1, 2014) ¹²	France	Subsidiary	100	100
51.	Actavis France SAS (w.e.f. April 1, 2014) ^{12 & 13}	France	Subsidiary	–	100
52.	1980 Puren Pharma GmbH (Formerly Actavis Management GmbH) (w.e.f. April 1, 2014) ¹²	Germany	Subsidiary	100	100
53.	Puren Pharma GmbH & Co. KG (Formerly Actavis Deutschland GmbH & Co. KG) (w.e.f. April 1, 2014) ¹²	Germany	Subsidiary	100	100
54.	Aurovitas Spain SA (Formerly Actavis Spain S.A.) (w.e.f. April 1, 2014) ¹²	Spain	Subsidiary	100	100
55.	Aurobindo Pharma B.V. (Formerly Actavis B.V.) (w.e.f. April 1, 2014) ^{7 & 12}	The Netherlands	Subsidiary	100	100
56.	Natrol LLC (w.e.f. December 4, 2014) ¹²	U.S.A.	Subsidiary	100	100
57.	Tergene Biotech Private Limited (w.e.f. April 1, 2015) ¹⁴	India	Subsidiary	60	–

Notes:

- Liquidated w.e.f. April 10, 2015.
- Liquidated w.e.f. November 18, 2015.
- Agile Malta Holdings Limited was merged with Aurobindo Pharma (Malta) Limited w.e.f. January 1, 2015.
- Aurobindo Pharma France SARL merged with Arrow Generiques SAS w.e.f. April 1, 2014.
- Auronext Pharma Private Limited has become wholly owned subsidiary of Aurobindo Pharma Limited, India w.e.f. September 16, 2015.
- Liquidated w.e.f. December 31, 2015.
- Aurobindo Pharma B.V. merged with Actavis B.V. Subsequently the name of Actavis B.V. was changed to Aurobindo Pharma B.V. w.e.f. July 1, 2015.
- Liquidated w.e.f. December 18, 2014.
- Aurobindo Pharma NZ Limited liquidated w.e.f. April 10, 2015. It was incorporated during the financial year 2011-12 and there was no activity during the current year and previous year.
- Aurovitas S.L. was incorporated during the previous year and closed w.e.f. December 2, 2014.
- Pharmacin B.V. (Formerly known as Aurex B.V.) was incorporated during the previous year.
- Acquired during the previous year.
- Actavis France SAS was merged with Arrow Generiques SAS w.e.f. April 1, 2015.
- Acquired during the year.

The figures for the subsidiaries have been considered from the date of acquisition/upto the date of disposal/liquidation as applicable.

b. Change in accounting policy

The group has adopted component accounting as required under Schedule II to the Companies Act, 2013, from April 1, 2015. The group was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life was used to depreciate each item of fixed assets.

Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed assets. Now, the group identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The group has also changed its policy on recognition of cost of major inspection/overhaul. Earlier, the Company used to charge such cost of major inspection/overhaul directly to consolidated statement of profit and loss, as incurred. On application of component accounting, the major inspection/overhaul is identified as a separate component of the asset at the time of purchase of new asset and subsequently. The cost of such major inspection/overhaul is depreciated separately over the period till next major inspection/overhaul. Upon next major inspection/overhaul, the costs of new major inspection/overhaul are added to the asset's cost and any amount remaining from the previous inspection/overhaul is derecognized. On the date of component accounting becoming applicable, i.e. 1 April, 2015, there were no components whose cost was significant to the total cost of the assets and whose useful life was materially different from that of the remaining assets. The change in accounting for components did not have any impact on financial statements of the group for the current year.

c. Use of estimates

The preparation of consolidated financial

statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

d. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group/Consolidated Entities and the revenue can be reliably measured.

- i. Revenue from sale of goods is recognized on dispatch (in respect of exports on the date of the bill of lading or airway bill) which coincides with transfer of significant risks and rewards to customer and is net of trade discounts, sales returns and sales tax, where applicable and recognized based on the terms of the agreements entered into with the customers. Excise duty deducted from revenue (gross) is the amount that is included in revenue (gross) and not the entire amount of liability arising during the year.
- ii. Revenue from sale of dossiers/licenses/services is recognized in accordance with the terms of the relevant agreements as accepted and agreed with the customers.
- iii. Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iv. Dividend is recognized as and when the Group's/Consolidated Entities right to receive payment is established by the reporting date.

e. Fixed assets and depreciation

- i. Fixed assets are stated at cost less accumulated depreciation, impairment losses and specific grant/subsidies, if any. Cost comprise of purchase price,

freight, non refundable taxes and duties and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for use are included to the extent they relate to the period till such assets are ready for intended use. All other borrowing costs are expensed in the period they occur.

- ii. Expenditure directly relating to construction activity is capitalized. Expenditure is capitalized to the extent those are specifically attributable to the construction activity or is incidental thereto. Income earned during construction period is deducted from the total expenditure relating to construction activity.
- iii. Assets retired from active use and held for disposal are stated at their estimated net realizable values or net book values, whichever is lower.
- iv. Assets under finance leases, where there is no reasonable certainty that the Group/Consolidated Entities will obtain the ownership by the end of the lease term are capitalized and are depreciated over the lease term or estimated useful life of the asset, whichever is shorter.
- v. The Group/Consolidated Entities identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.
- vi. Premium paid on leasehold land is amortized over the lease term.
- vii. Depreciation is provided on the straight-line method, based on the useful life of the assets as estimated by the management. The Group/Consolidated Entities has estimated the following useful lives to provide depreciation on its fixed assets.

Notes to Consolidated financial statements for the year ended March 31, 2016

Nature of the assets	Useful life as estimated by the management (in years)	Useful life as stated in the Companies Act, 2013 (in years)
Leasehold land	10	-
Leasehold buildings	20	10-60
Freehold land	25	-
Freehold buildings	5-60	10-60
Plant & equipment	3-20	3-40
Furniture & fixtures	5-10	10
Vehicles	4-8	8
Office equipment	3-10	5

The management based on internal technical assessment has estimated, the useful lives of the following classes of assets which is different from the useful lives prescribed under Schedule II:

- The useful lives of laboratory equipment, electrical installations and equipment and end user devices estimated as 12 years, 15 years and 6 years, respectively. These lives are higher than those indicated in Schedule II.
- Vehicles, plant and machinery, reactors glass line, general plant and machinery, servers and networks and power plant turbine are depreciated over the estimated useful lives of 4 years, 15 years, 12 years, 10 years, 5 years and 20 years, respectively, which are lower than those indicated in Schedule II.

f. Intangibles

Intangible assets consists of goodwill, licenses, patents, brands and product development costs.

Goodwill represents the excess of purchase consideration over the net book value of assets acquired of the subsidiary companies as on the date of investment. Goodwill on consolidation and acquisition is not amortized but is tested for impairment on a periodic basis and impairment losses are recognized where applicable.

Cost relating to licenses, patents and brands which are acquired, are capitalized and amortized on a straight-line basis over the useful life as estimated by the management.

Research costs are expensed as incurred. Development expenditure incurred in respect of internally generated intangible assets such as product development is carried forward when the future recoverability can reasonably

be regarded as assured. Any expenditure carried forward is amortized on a straight-line basis over the period of expected future economic benefit from the related project, not exceeding ten years.

The management has estimated following useful life to amortize intangible assets:

Nature of the assets	Useful life as estimated by the management (in years)
Product development cost	10
Licenses & patents	5-10
Brands	10

g. Impairment of tangibles and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its 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 risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

h. Government grants and subsidies

Grants and subsidies are recognized when there is a reasonable assurance that the grant or subsidy will be received and that all underlying conditions thereto will be complied with. When the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

i. Investments

- Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on individual investment basis.
- Long-term investments are carried at cost. However, diminution in value is provided to recognize a decline, other than temporary, in the value of the investments.

j. Inventories

- Raw materials, packing materials, stores, spares and consumables are valued at lower of cost, calculated on 'Weighted average' basis, and net realizable value. Items held for use in the production of inventories are not written down below cost if the finished product in which these will be incorporated are expected to be sold at or above cost.
- Finished goods and work-in-progress are valued at lower of cost and net realizable value. Cost includes materials, labour and a proportion of appropriate overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
- Trading goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a 'Weighted average' basis.
- Net realizable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to effect the sale.

k. Employee benefits

- Employee benefits in the form of provident fund is a defined contribution scheme and the contributions are charged to the Consolidated Statement of Profit and Loss in the year when an employee renders the related service. There are no other obligations other

than the contribution payable to the respective authorities.

- ii. The Group's/Consolidated Entities contribution towards defined contribution benefit plan is accrued in compliance with the requirements of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are due.
- iii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on project unit credit method made at the end of each financial year.
- iv. Short-term compensated absences are provided for based on estimates. Long-term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the end of each financial year.
- v. Actuarial gains/losses are immediately taken to consolidated statement of profit and loss and are not deferred.
- vi. The Group/Consolidated Entities presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

L. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the domestic tax laws of the countries in which the consolidated entities operate. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by

convincing evidence that they can be realized against future taxable profits.

In the situations where the Group/Consolidated Entities is entitled to tax holiday under Income Tax Act, 1961, no deferred tax is recognized in respect of timing differences which reverse during the tax holiday period, to the extent Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which timing difference originates.

Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities pertaining to consolidated entities are not set off against each other as the Group/Consolidated Entities does not have a legal right to do so.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group/Consolidated Entities writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the consolidated statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the consolidated statement of profit and loss and shown as 'MAT Credit Entitlement'. The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent

the Company does not have convincing evidence that it will pay normal tax during the specified period.

m. Foreign exchange transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported at year-end rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability. The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts, are recognized in the consolidated statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

n. Translation of integral and non-integral foreign operation

In accordance with the accounting principles as prescribed under the AS 11 (Revised) and based on the analysis of relevant criteria, as explained below, the Group/Consolidated Entities has designated the operations of following overseas consolidated entities viz Aurobindo Pharma Industria Farmaceutica Ltda; APL Pharma Thai Limited; Helix Healthcare B.V.; Auro Pharma Inc.; Aurobindo Pharma (Pty) Limited; Aurobindo Pharma (Australia) Pty Limited; Auro Healthcare (Nigeria) Limited; Agile Pharma B.V.; Aurobindo Pharma Produtos Farmaceuticos

Notes to Consolidated financial statements for the year ended March 31, 2016

Ltda; All Pharma (Shanghai) Trading Company Limited; APL Holdings (Jersey) Limited; Aurobindo Pharma Japan K.K.; Laboratorios Aurobindo Sociedad Limitada, S.L.; Aurobindo Pharma (Italia) S.r.l.; Aurobindo Pharma (Portugal) Unipessoal LDA; Aurobindo Pharma GmbH; Aurobindo Ilac Sanayi Ve Ticaret Limited Sirketi; Novagen Pharma (Pty) Limited; Aurobindo Pharma (Singapore) Pte Limited; Aurobindo Pharma B.V. (upto June 30, 2015); Aurobindo Pharma (Romania) s.r.l.; Aurovida Farmaceutica SA de CV; Aurobindo Pharma NZ Limited; Aurobindo Pharma Colombia S.A.S.; Aurovitas Unipessoal LDA and Pharmacin B.V. (formerly known as Aurex B.V.) as 'integral foreign operations':

- i. These foreign operations are under the direct supervision and control of the parent company's management;
- ii. There are high proportions of inter-company transactions;
- iii. These foreign operations are mainly financed by the parent company; and
- iv. Cash flows of these foreign operations have direct impact on the cash flows of the parent company.

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the parent company itself.

In translating the financial statements of a non-integral foreign operation for incorporation in consolidated financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated using average exchange rates prevailing during the reporting period since the same approximates to exchange rate on transaction date. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal/closure of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised

classification are applied from the date of the change in the classification.

o. Export benefits, incentives and licenses

Export benefits on account of duty drawback and export promotion schemes are accrued and accounted in the year of export, and are included in other operating revenue. Other benefits in the form of advance authorisation for imports are accounted for on purchase of imported materials.

p. Leases

Where the Group/Consolidated Entities are lessee

Finance leases, where the substantial risks and benefits incidental to ownership of the leased items are transferred to the Group, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged to consolidated statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

q. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events such as bonus issue that have changed the number of shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net consolidated profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

r. Provisions

A provision is recognised when the Group/Consolidated Entities has a present obligation

as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

s. Cash and cash equivalents

Cash and cash equivalents in the cash flow statements comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

t. Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share Based Payments Plans, issued by the Institute of Chartered Accountants of India. The Group/Consolidated Entities measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense, if any, is amortized over the vesting period of the option on a straight line basis.

u. Contingent liabilities

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of Group/Consolidated Entities or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that can not be recognised because it can not be measured reliably. The Group/Consolidated Entities does not recognize the contingent liability but discloses its existence in the consolidated financial statements.

v. Borrowing cost

Borrowing cost includes interest incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

		As at March 31, 2016	As at March 31, 2015
2. SHARE CAPITAL			
AUTHORISED	660,000,000 (March 31, 2015: 660,000,000)		
	equity shares of ₹1 each	660.0	660.0
	1,000,000 (March 31, 2015: 1,000,000)		
	preference shares of ₹100 each	100.0	100.0
		760.0	760.0
ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARES			
	585,169,586 (March 31, 2015: 291,982,275)		
	equity shares of ₹1 each	585.2	292.0
	TOTAL	585.2	292.0

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	As at March 31, 2016		As at March 31, 2015	
	Numbers	Value	Numbers	Value
Equity shares				
At the beginning of the year	291,982,275	292.0	291,457,021	291.5
Issued during the year under bonus issue	291,982,275	292.0	-	-
Issued during the year under Employee Stock Option plan	1,205,036	1.2	525,254	0.5
Outstanding at the end of the year	585,169,586	585.2	291,982,275	292.0

b. Terms/rights attached to equity shares

The parent company has only one class of equity shares having a par values of ₹1 per share. Each holder of equity shares is entitled to one vote per share.

The parent company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2016, the amount of dividend per share recognized as distributions to equity shareholders was ₹2.50 (March 31, 2015: ₹4.50) including interim dividend of ₹2.50 (March 31, 2015: ₹4.50).

In the event of liquidation of the parent company, the holders of equity shares will be entitled to receive remaining assets of the parent Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% equity shares in the Company

	As at March 31, 2016		As at March 31, 2015	
	Numbers	% holding	Numbers	% holding
Mrs. P. Suneela Rani	205,036,760	35.04	100,661,990	34.48
	205,036,760		100,661,990	

As per records of the parent company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

d. Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceeding the reporting date:

	As at March 31, 2016 Numbers	As at March 31, 2015 Numbers
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	291,982,275	-

e. For details of shares reserved for issue under Employee Stock Option Plan (ESOP) of the Company, Refer Note 31.

Notes to Consolidated financial statements for the year ended March 31, 2016
(All amounts in Indian Rupees million, except share data and where otherwise stated)

	As at March 31, 2016	As at March 31, 2015
3. RESERVES AND SURPLUS		
CAPITAL RESERVE	818.9	91.1
Add: On acquisition of subsidiaries [Refer Note 34(iii)]	–	727.8
Add: Exchange fluctuation on restatement of capital reserve on acquisition	88.9	–
	907.8	818.9
CAPITAL REDEMPTION RESERVE	90.0	90.0
SECURITIES PREMIUM		
ACCOUNT		
As per last Balance Sheet	4,308.6	4,241.5
Add: Premium on exercise of employee stock options	70.7	67.1
Less: Amount utilised towards issue of fully paid bonus shares	292.0	–
	4,087.3	4,308.6
GENERAL RESERVE	7,549.9	7,549.9
FOREIGN CURRENCY TRANSLATION RESERVE		
As per last Balance Sheet	581.2	1,317.1
Add: Current year translation adjustment	786.3	(735.9)
	1,367.5	581.2
SURPLUS IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS		
Balance as per last financial statements	37,918.5	23,920.4
Profit for the year	19,820.0	15,757.7
Less: Appropriations		
On equity shares of ₹1 each		
Interim dividend @ ₹2.50 (March 31, 2015: ₹4.50)	1,461.4	1,312.8
Tax on dividend	297.5	250.4
Depreciation [Net of deferred tax of ₹Nil (March 31, 2015: ₹82.3)] Refer Note 1(b)	–	196.4
Total appropriations	1,758.9	1,759.6
NET SURPLUS IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS	55,979.6	37,918.5
TOTAL	69,982.1	51,267.1

4. LONG-TERM BORROWINGS

	Non-current portion		Current maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
From banks Secured				
Term loans - Foreign currency	3,801.0	7,231.9	4,100.5	3,899.2
Term loans - Rupee loans	1,040.1	503.5	-	-
From others - Secured				
Term loans - Rupee loans	3.8	-	1.6	-
	4,844.9	7,735.4	4,102.1	3,899.2
From banks - Unsecured				
Term loans - Foreign currency	3,367.3	5,462.4	1,995.4	1,843.9
	3,367.3	5,462.4	1,995.4	1,843.9
Other loans - Unsecured				
Deferred sales tax loan	259.8	416.9	160.0	132.1
	259.8	416.9	160.0	132.1
Amount disclosed under the head 'Other current liabilities' (Refer Note 9)			(6,257.5)	(5,875.2)
TOTAL	8,472.0	13,614.7	-	-
The above amount includes				
Secured borrowings	4,844.9	7,735.4	4,102.1	3,899.2
Unsecured borrowings	3,627.1	5,879.3	2,155.4	1,976.0

- i. Secured term loans in foreign currency carry interest in the range of LIBOR plus 1% to 1.5%. Out of these loans, loans amounting to ₹1,104.3 (March 31, 2015: ₹1,562.5) are repayable in two (March 31, 2015: three) equal installments in 5th and 6th (March 31, 2015: 4th, 5th and 6th) years from the respective final draw down, and loans amounting to ₹1,987.7 (March 31, 2015: ₹1,666.7) is repayable at the end of 4th, 5th and 6th years from the respective final draw down and loan amounting ₹Nil (March 31, 2015: ₹3,229.2) is repayable at the end of 5th year from the respective final draw down date. These loans are secured by first *pari passu* charge on all the present and future fixed assets, both movable and immoveable property of the parent company.
- ii. Secured terms loan in foreign currency amounting to ₹35.1 carry an interest of 6 month LIBOR plus 5% with interest payments at monthly intervals (current interest rate being 5.09% per annum). The foreign currency term loans are repayable in 7 quarterly installments of ₹11.0 each starting April 1, 2015. These loans are secured by a first charge on entire fixed assets of Auronext Pharma Private Limited (both present and future) and collateral security of present and future current assets of Auronext Pharma Private Limited.
- iii. Secured term loans in foreign currency amounting to ₹674.7 carry interest rate of LIBOR plus 0.9% and is payable over a period of 7 years in equal monthly installments and the last installment is payable in October, 2021. These loans are secured by property, fixed assets, inventory and trade receivable of Aurolife Pharma LLC, Aurobindo Pharma USA Inc and Auromedics Pharma LLC.
- iv. Secured term loans in foreign currency amounting to ₹1.2 carry interest rate of 4.6% and is payable over a period of 5 years in equal monthly installments and the last installment is payable in April, 2016. These loans are secured by property, fixed assets, inventory and trade receivable of Aurolife Pharma LLC, Aurobindo Pharma USA Inc and Auromedics Pharma LLC.
- v. Secured term loans in foreign currency amounting to ₹13.9 carry interest rate of 3.86% and is payable over a period of 5 years in equal monthly installments and the last installment is payable in September, 2016. These loans are secured by property, fixed assets, inventory and trade receivable of Aurolife Pharma LLC, Aurobindo Pharma USA Inc and Auromedics Pharma LLC.
- vi. Secured term loans in foreign currency amounting to ₹5.7 carry interest rate of 3.92% and is payable over a period of 5 years in equal monthly installments and the last installment is payable in December, 2016. These loans are secured by property, fixed assets, inventory and trade receivable of Aurolife Pharma LLC, Aurobindo Pharma USA Inc and Auromedics Pharma LLC.
- vii. Secured term loans in foreign currency amounting to ₹32.0 carry interest rate of 4.1% and is payable over a period of 7 years in equal monthly installments and the last installment is payable in November, 2019. These loans are secured by property, fixed assets, inventory and trade receivable of Aurolife Pharma LLC, Aurobindo Pharma USA Inc and Auromedics Pharma LLC.
- viii. Secured term loans in foreign currency amounting to ₹57.2 carry interest rate of 4.69% and is payable over a period of 7 years in equal monthly installments and the last installment is payable in June, 2020. These loans are secured by property, fixed assets, inventory and trade receivable of Aurolife Pharma LLC, Aurobindo Pharma USA Inc and Auromedics Pharma LLC.

Notes to Consolidated financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

- ix. Secured term loans in foreign currency amounting to ₹12.4 carry interest rate of 3.6% and is payable over a period of 3 years in equal monthly installments and the last installment is payable in September, 2018. These loans are secured by equipments of Aurolife Pharma LLC, Aurobindo Pharma USA Inc and Auromedics Pharma LLC.
- x. Secured term loans in foreign currency amounting to ₹2.1 carry interest rate of 2.076% and is payable over a period of 6 years in equal monthly installments and the last installment is payable in May, 2020. These loans are secured by equipments of Aurolife Pharma LLC, Aurobindo Pharma USA Inc and Auromedics Pharma LLC.
- xi. Secured term loan in Indian rupee amounting to ₹1,040.1 carries floating interest rate (currently 11% per annum) and is payable in 15 quarterly installments starting from September, 2017. The loan is secured by first charge on entire fixed assets (including intangibles) both present and future and second charge on the current assets, both present and future of Eugia Pharma Specialities Limited and also pledge of shares held by Celon Laboratories Limited, shareholder of Eugia Pharma Specialities Limited.
- xii. Secured term loan in Indian rupee from Department of Biotechnology amounting to ₹5.4 carry interest rate of 2% having first charge on all equipments, apparatus, machineries, spares, tools and other accessories, goods and/or other movable property of Tergene Biotech Private Limited including those acquired for the project through contribution by Tergene Biotech Private Limited and/or by the Department of Biotechnology to a value equivalent to the amount of loan and interest thereon, the loan is repayable in 10 equal half yearly installments commencing from one year after the closure of the project.
- xiii. Unsecured foreign currency term loans amounting to ₹3,507.6 carry interest rate of LIBOR plus 1.05% and is payable in equal quarterly installments and the last installment is payable in December, 2019. Unsecured foreign currency term loans amounting to ₹1,855.1 carry interest rate of LIBOR plus 1.25% and is payable in equal quarterly installments and the last installment is payable in December, 2017.
- xiv. Deferred sales tax loan is interest free and payable in various installments as per sales tax deferment scheme. The last installment is payable in 2029-30 (March 31, 2015: 2028-29).

	As at March 31, 2016	As at March 31, 2015
5. DEFERRED TAX ASSETS & LIABILITIES		
Deferred tax liabilities consists of		
Differences in depreciation as per tax books and financial books	3,061.6	2,390.8
Provision made towards doubtful trade receivables/loans and advances/other assets	(480.4)	(79.5)
Retirement benefits	(242.2)	(206.0)
Business loss	25.5	-
Total deferred tax liabilities	2,364.5	2,105.3
Deferred tax assets consists of		
Others	0.9	47.5
Total deferred tax assets	0.9	47.5

	Long-term		Short-term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
6. PROVISIONS				
For employee benefits				
Gratuity [Refer Note 32 (b)]	234.1	243.1	65.8	30.5
Compensated absences	1.3	0.4	445.1	354.5
	235.4	243.5	510.9	385.0
Other provisions				
For proposed dividend	-	-	409.6	292.0
For tax on proposed dividend	-	-	83.4	59.4
Provision for income tax (Net of advance tax)	-	-	823.3	1,446.0
	-	-	1,316.3	1,797.4
TOTAL	235.4	243.5	1,827.2	2,182.4

	As at March 31, 2016	As at March 31, 2015
7. SHORT-TERM BORROWINGS		
Loans repayable on demand from banks - Working capital loans		
Cash credit facilities (Secured)	469.1	372.7
Buyers credit (Unsecured)	-	784.6
Packing credit loans (Secured)	2,490.9	8,259.0
Packing credit loans (Unsecured)	22,785.7	12,677.4
Bill discounting facility (Secured)	1,821.1	553.1
Bill discounting facility (Unsecured)	2,186.7	1,316.2
Short-term loans (Secured)	1,632.0	-
Short-term loans - Others (Unsecured)	-	50.0
Short-term loans from Banks (Unsecured)	904.7	1,007.8
TOTAL	32,290.2	25,020.8
The above amount includes		
Secured borrowings	6,413.1	9,184.8
Unsecured borrowings	25,877.1	15,836.0
	32,290.2	25,020.8

- i. Secured loans amounting to ₹4,781.1 are secured by first charge by way of hypothecation of all the stocks, book debts and other current assets (both present and future) of the parent company.
- ii. Secured loans amounting to ₹1,632.0 are secured by first charge by way of hypothecation of all the stocks and book debts of Aurolife Pharma LLC, Aurobindo Pharma USA Inc and Auromedics Pharma LLC (both present and future).

	As at March 31, 2016	As at March 31, 2015
8. TRADE PAYABLES		
Trade payables for supplies and services	25,267.7	20,511.3
9. OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings (Refer Note 4)	6,257.5	5,875.2
Payables for capital goods	1,580.1	970.0
Trade deposits	32.1	9.8
Unclaimed dividend	14.4	12.5
Interest accrued but not due on borrowings	57.3	87.4
Advances from customers	57.3	44.6
Other payables		
Statutory liabilities	734.4	414.4
Others	6,640.6	6,235.6
TOTAL	15,373.7	13,649.5

Notes to Consolidated financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

10. FIXED ASSETS - TANGIBLE ASSETS

	Leasehold land	Freehold land	Leasehold buildings	Freehold buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total
AT COST OR VALUATION									
At April 1, 2014	60.7	995.9	157.6	8,285.5	26,542.6	813.0	164.1	398.2	37,417.6
Additions	88.8	259.1	60.6	922.0	4,871.8	167.9	12.9	49.7	6,432.8
Disposals/adjustments	0.1	0.3	–	5.0	297.4	23.3	4.5	6.8	337.4
Additions on acquisition	–	–	0.6	–	281.3	34.5	0.2	28.0	344.6
Other adjustments									
Exchange differences	–	12.1	(14.4)	91.0	84.1	(11.3)	0.1	(0.3)	161.3
At March 31, 2015	149.4	1,266.8	204.4	9,293.5	31,482.4	980.8	172.8	468.8	44,018.9
Additions	22.3	1,839.6	138.5	1,024.0	5,240.4	239.6	66.4	72.9	8,643.7
Disposals/adjustments	–	3.0	(7.3)	1.4	334.0	44.0	45.7	8.9	429.7
Additions on acquisition	–	–	–	–	13.3	–	–	–	13.3
Other adjustments									
Exchange differences	–	33.6	9.5	145.9	221.9	13.2	(0.2)	9.9	433.8
At March 31, 2016	171.7	3,137.0	359.7	10,462.0	36,624.0	1,189.6	193.3	542.7	52,680.0
Depreciation									
At April 1, 2014	9.6	0.1	24.4	1,276.5	10,387.4	388.0	59.5	151.9	12,297.4
Charge for the year	3.8	–	6.5	316.5	2,700.3	121.6	62.1	123.6	3,334.4
Disposals/adjustments	–	–	–	2.3	258.8	9.2	3.8	4.9	279.0
Additions on acquisition	–	–	–	–	–	–	–	–	–
Other adjustments									
Exchange differences	–	–	(1.9)	11.0	16.2	(8.2)	(0.1)	(0.6)	16.4
At March 31, 2015	13.4	0.1	29.0	1,601.7	12,845.1	492.2	117.7	270.0	15,369.2
Charge for the year	8.5	0.6	10.0	364.5	2,867.1	100.3	33.4	72.7	3,457.1
Disposals/adjustments	–	–	(8.2)	(5.1)	198.2	15.1	42.4	9.3	251.7
Additions on acquisition	–	–	–	–	2.0	–	–	–	2.0
Other adjustments									
Exchange differences	–	–	1.3	20.6	95.1	6.9	(0.1)	6.6	130.4
At March 31, 2016	21.9	0.7	48.5	1,991.9	15,611.1	584.3	108.6	340.0	18,707.0
Net block									
At March 31, 2015	136.0	1,266.7	175.4	7,691.8	18,637.3	488.6	55.1	198.8	28,649.7
At March 31, 2016	149.8	3,136.3	311.2	8,470.1	21,012.9	605.3	84.7	202.7	33,973.0

Capital work-in-progress ₹9,952.5 (March 31, 2015: ₹4,041.8) (Refer Note 33).

- The title deeds of land and buildings aggregating to ₹161.9 (March 31, 2015: ₹161.9) are pending transfer to the Company's name.
- Depreciation for the year include ₹3.3 (March 31, 2015: ₹2.3) taken as pre-operative capital expenditure on capital projects pending capitalization.
- Depreciation for the year include ₹3.4 (March 31, 2015: ₹Nil) which has been capitalized.
- Depreciation for the year include ₹4.8 (March 31, 2015: ₹Nil) taken as intangible assets under development.
- Details of finance lease (Refer Note 36).
- Land of one of the subsidiary to the extent of 100.44 acres amounting to ₹99.0 (March 31, 2015 ₹99.0) has been attached by the Directorate of Enforcement during the financial year 2012-13 in a legal case pertaining to the parent company.

11. FIXED ASSETS - INTANGIBLE ASSETS

	Goodwill on consolidation	Goodwill on acquisition	Brands	Product development cost	Licences and patents	Total
GROSS BLOCK						
At April 1, 2014	763.8	-	-	286.6	3,361.6	4,412.0
Additions	-	-	-	39.8	355.0	394.8
Disposals/adjustments	-	-	-	185.3	254.7	440.0
Additions on acquisition	-	4,692.8	1,837.5	-	269.9	6,800.2
Other adjustments						
Exchange differences	(123.6)	-	-	(42.0)	(559.0)	(724.6)
At March 31, 2015	640.2	4,692.8	1,837.5	99.1	3,172.8	10,442.4
Additions	-	-	159.0	76.3	963.0	1,198.3
Disposals/adjustments	-	1,371.2	-	62.4	1,641.8	3,075.4
Additions on acquisition*	181.3	-	-	-	-	181.3
Other adjustments						
Exchange differences	65.4	281.9	110.4	8.6	217.5	683.8
At March 31, 2016	886.9	3,603.5	2,106.9	121.6	2,711.5	9,430.4
Amortization						
At April 1, 2014	-	-	-	129.0	2,186.5	2,315.5
Charge for the year	-	-	58.3	34.9	179.5	272.7
Disposals/adjustments	-	-	-	57.0	73.5	130.5
Additions on acquisition	-	-	-	-	-	-
Other adjustments						
Exchange differences	-	-	1.4	(21.1)	(402.3)	(422.0)
At March 31, 2015	-	-	59.7	85.8	1,890.2	2,035.7
Charge for the year	-	-	207.7	61.6	211.2	480.5
Disposals/adjustments	-	-	-	85.5	1,549.3	1,634.8
Additions on acquisition	-	-	-	-	-	-
Other adjustments						
Exchange differences	-	-	6.6	(0.1)	117.7	124.2
At March 31, 2016	-	-	274.0	61.8	669.8	1,005.6
Net block						
At March 31, 2015	640.2	4,692.8	1,777.8	13.3	1,282.6	8,406.7
At March 31, 2016	886.9	3,603.5	1,832.9	59.8	2,041.7	8,424.8

Intangible assets under development ₹285.1 (March 31, 2015: ₹154.5) (Refer Note 33).

*Includes ₹178.4 of goodwill arising on acquisition of minority interest of Auronext Pharma Private Limited.

Notes to Consolidated financial statements for the year ended March 31, 2016
(All amounts in Indian Rupees million, except share data and where otherwise stated)

	As at March 31, 2016	As at March 31, 2015
12. NON-CURRENT INVESTMENTS		
Trade investments		
Long-term, unquoted, in fully paid equity shares (at cost unless stated otherwise)		
i. 753 (753) equity shares of Jeedimetla Effluent Treatment Limited of ₹100 each	0.1	0.1
ii. 103,709 (103,709) equity shares of Patancheru Envirotech Limited of ₹10 each	1.0	1.0
iii. 1,000 (1,000) equity shares of Progressive Effluent Treatment Limited of ₹100 each	0.1	0.1
TOTAL (A)	<u>1.2</u>	<u>1.2</u>
Non-trade investments		
Long-term, unquoted and at cost, in government securities		
i. Kisan Vikas Patra	-	-
ii. National Savings Certificate [includes ₹0.07 held by income tax authorities (March 31, 2015: ₹0.07)]	0.2	0.2
TOTAL (B)	<u>0.2</u>	<u>0.2</u>
TOTAL (A+B)	<u>1.4</u>	<u>1.4</u>
Notes:		
1. Aggregate value of unquoted investments	1.4	1.4
2. Aggregate provision for diminution in the value of investments	-	-

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
13. LOANS AND ADVANCES				
(Unsecured, considered good except stated otherwise)				
Capital advances				
Considered good	1,189.6	852.1	-	-
Doubtful	0.8	0.8	-	-
	1,190.4	852.9	-	-
Provision for doubtful advances	0.8	0.8	-	-
TOTAL (A)	1,189.6	852.1	-	-
Trade deposit				
Considered good*	496.9	370.6	64.1	0.4
Doubtful	0.4	0.4	-	-
	497.3	371.0	64.1	0.4
Provision for doubtful deposit	0.4	0.4	-	-
TOTAL (B)	496.9	370.6	64.1	0.4
Advances recoverable in cash or kind				
Considered good	21.9	24.6	1,906.9	2,149.5
Doubtful	30.1	30.1	-	-
	52.0	54.7	1,906.9	2,149.5
Provision for doubtful advances	30.1	30.1	-	-
TOTAL (C)	21.9	24.6	1,906.9	2,149.5
Other loans and advances				
Advance income tax (Net of provision for taxation)	449.4	439.4	42.6	69.7
MAT credit entitlement	1,623.6	2,610.1	600.0	-
Share application money to others	-	33.9	-	-
Intercorporate deposit	-	-	-	10.0
Loans to employees	54.5	55.3	103.1	83.7
Export rebate claims receivable	-	-	2,037.9	1,805.2
Balances with statutory/government authorities				
Considered good	174.2	166.7	1,699.2	1,565.7
Doubtful	38.1	38.1	-	-
	212.3	204.8	1,699.2	1,565.7
Provision for doubtful advances	38.1	38.1	-	-
	174.2	166.7	1,699.2	1,565.7
TOTAL (D)	2,301.7	3,305.4	4,482.8	3,534.3
TOTAL (A+B+C+D)	4,010.1	4,552.7	6,453.8	5,684.2

Refer Note 40 for advances due from private companies/partnership firm in which parent company's director is a director/partner.

*Non-current deposits include deposits pledged with Enforcement Directorate of ₹32.6 (March 31, 2015: ₹32.6).

Notes to Consolidated financial statements for the year ended March 31, 2016
(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
14. TRADE RECEIVABLES				
(Unsecured, considered good unless stated otherwise)				
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	–	–	1,232.3	1,440.9
Doubtful	143.8	32.2	1,149.7	703.1
	143.8	32.2	2,382.0	2,144.0
Provision for doubtful receivables	143.8	32.2	1,149.7	703.1
TOTAL (A)	–	–	1,232.3	1,440.9
Others				
Considered good	–	–	40,486.9	33,950.8
Doubtful	–	–	80.9	144.9
	–	–	40,567.8	34,095.7
Provision for doubtful receivables	–	–	80.9	144.9
TOTAL (B)	–	–	40,486.9	33,950.8
TOTAL (A+B)	–	–	41,719.2	35,391.7

Refer Note 41 for trade receivables due from private companies or partnership firms in which parent company's director is a director or partner.

	As at March 31, 2016	As at March 31, 2015
15. OTHER CURRENT ASSETS		
(Unsecured, considered good unless stated otherwise)		
Unamortized premium on forward contract	34.7	–
Insurance claim receivable	0.1	92.7
Export incentives receivable		
Considered good	2,177.7	710.0
Doubtful	44.8	–
	2,222.5	710.0
Provision for doubtful receivables	(44.8)	–
	2,177.7	710.0
Assets held for sale	–	83.2
Interest accrued on deposits	27.3	25.6
Receivables - Others	376.8	–
TOTAL	2,616.6	911.5
16. OTHER NON-CURRENT ASSETS		
(Unsecured, considered good unless stated otherwise)		
Export incentives receivable	272.3	285.2
Non-current bank balances (Refer Note 19)	58.7	17.3
TOTAL	331.0	302.5

	As at March 31, 2016	As at March 31, 2015
17. CURRENT INVESTMENTS		
Current portion of long-term investment (at cost)		
Unquoted, in fully paid equity shares, at lower of cost and market value		
70,000 (70,000) shares of Citadel Aurobindo Biotech Limited of ₹100 each [Aggregate provision for diminution in value of ₹7.0 (March 31, 2015: ₹7.0)]	-	-
Nil (10%) of paid-in-capital of Sino-Pharma Group Weiqida Zhong Khag Pharma Company Limited	-	196.2
Quoted, in fully paid equity shares, at lower of cost and market value		
4,520 (4,520) equity shares of Andhra Bank of ₹10 each	0.2	0.3
TOTAL	0.2	196.5
1. Aggregate value of unquoted investments	-	196.2
2. Aggregate value of quoted investments	0.2	0.3
3. Market value of quoted investments	0.2	0.3
4. Aggregate provision for diminution in the value of investments	7.0	7.0
18. INVENTORIES		
(Valued at lower of cost and net realizable value)		
Raw materials [includes in-transit ₹228.6 (March 31, 2015: ₹334.0)]	15,077.8	12,342.4
Packing materials	1,435.6	1,621.3
Work-in-progress	9,246.6	7,616.8
Finished goods [includes in-transit ₹176.9 (March 31, 2015: ₹322.1)]	7,906.3	7,139.1
Trading goods	5,876.9	6,229.2
Stores, spares and consumables	1,337.8	1,164.2
TOTAL	40,881.0	36,113.0

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
19. CASH AND BANK BALANCES				
Cash and cash equivalents				
Cash on hand	-	-	8.2	7.9
Balances with banks:				
On current accounts	-	-	6,726.7	4,316.0
On cash credit accounts	-	-	962.0	15.3
Deposits with original maturity of less than 3 months	-	-	534.2	259.3
On unpaid dividend account	-	-	14.4	12.5
	-	-	8,245.5	4,611.0
Other bank balances				
Deposits with original maturity for more than 12 months	-	-	42.1	39.5
Deposits with original maturity for more than 3 months but less than 12 months	-	-	0.2	33.4
Margin money deposit *	58.7	17.3	56.1	7.2
	58.7	17.3	98.4	80.1
Amount disclosed under non-current assets (Refer Note 16)	(58.7)	(17.3)		
TOTAL	-	-	8,343.9	4,691.1

*Given against bank guarantees and performance guarantees

Notes to Consolidated financial statements for the year ended March 31, 2016
(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015	
20. REVENUE FROM OPERATIONS (GROSS)			
Sale of finished goods	113,869.2	95,888.2	
Sale of traded goods	23,980.5	25,769.2	
Sale of services	262.0	294.9	
Other operating revenue			
Scrap sales	78.9	71.6	
Export incentives	2,375.9	701.4	
TOTAL	140,566.5	122,725.3	
21. OTHER INCOME			
Interest income on			
Bank deposits	12.5	16.5	
Other deposits and receivables	91.2	139.1	
Dividend income on current investments - trade	-	-	
Balances no longer required written back (Net)	79.0	232.5	
Bad debts written off recovered from trade receivables (Net)	-	85.3	
Foreign exchange gain (Net)	980.5	159.6	
Profit on investments (Net)	63.8	-	
Commission income	35.5	26.7	
State subsidy received	215.2	135.1	
Miscellaneous income	185.0	172.3	
TOTAL	1,662.7	967.1	
22. COST OF MATERIALS CONSUMED			
Raw material consumed			
Opening stock [Includes inventories on acquisition of subsidiary ₹Nil (March 31, 2015: ₹384.3)]	12,342.4	10,163.9	
Add: Purchases	45,381.3	39,299.4	
	57,723.7	49,463.3	
Less: Closing stock	15,077.8	12,342.4	
Cost of raw material consumed	42,645.9	37,120.9	
Adjustment for fluctuation in exchange rates	93.0	47.4	
Packing materials consumed	5,510.1	4,059.8	
TOTAL	48,249.0	41,228.1	
23. INCREASE IN WORK-IN-PROGRESS, TRADED AND FINISHED GOODS	Year ended	Year ended	(Increase)/decrease
Inventories at the beginning of the year	March 31, 2016	March 31, 2015	March 31, 2016
Traded goods includes inventories on acquisition of subsidiaries ₹Nil (March 31, 2015: ₹6,703.6)	6,229.2	6,826.1	352.3
Work-in-progress [Includes inventories on acquisition of subsidiary ₹Nil (March 31, 2015: ₹263.8)]	7,616.8	5,944.9	(1,629.8)
Finished goods [Includes inventories on acquisition of subsidiary ₹Nil (March 31, 2015: ₹667.5)]	7,139.1	6,585.9	(767.2)
	20,985.1	19,356.9	(2,044.7)
Inventories at the end of the year			March 31, 2015
Traded goods	5,876.9	6,229.2	596.9
Work-in-progress	9,246.6	7,616.8	(1,671.9)
Finished goods	7,906.3	7,139.1	(553.2)
	23,029.8	20,985.1	(1,628.2)
	(2,044.7)	(1,628.2)	
On account of stock write off	247.3	574.4	
Adjustment for fluctuation in exchange rates	(1,297.1)	1,092.2	
TOTAL	(994.9)	(3,294.8)	

	Year ended March 31, 2016	Year ended March 31, 2015
24. EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and bonus	13,474.1	11,289.2
Contribution to provident and other funds	624.1	560.8
Retirement benefits (Refer Note 32)	288.7	332.9
Staff welfare expenses	1,121.5	839.7
TOTAL	15,508.4	13,022.6
25. OTHER EXPENSES		
Conversion charges	430.1	487.5
Consumption of stores and spares	1,442.0	1,233.9
Chemicals consumed	1,715.6	1,222.3
Power and fuel	4,192.6	3,596.0
Carriage inward	692.1	713.5
Factory maintenance	312.4	295.6
Effluent treatment expenses	137.0	125.5
Decrease of excise duty on inventory (Refer Note 38)	12.1	2.7
Repairs and maintenance		
i. Plant and machinery	829.1	608.5
ii. Buildings	312.4	332.1
iii. Others	160.8	101.1
Rent	606.1	525.1
Rates and taxes	1,110.5	1,083.4
Printing and stationery	153.8	153.8
Postage and telephones	195.4	180.0
Insurance	418.5	417.3
Legal and professional charges	2,211.3	2,217.3
Directors sitting fees	2.7	2.4
Remuneration to auditors	17.6	10.9
Sales commission	738.2	398.1
Carriage outwards	4,596.4	4,610.9
Selling expenses	3,438.5	3,608.5
Rebates and discounts	229.9	172.3
Travelling and conveyance	597.4	542.1
Vehicle maintenance expenses	113.2	153.4
Analytical charges	767.1	640.8
Bad debts/advances written off	16.9	-
Donations	4.8	17.7
Registration, license and filing charges	1,998.9	1,452.2
Product development expenses	150.6	253.0
Product destruction expenses/stock written off	247.3	574.4
Software license and implementation expenses	104.1	79.3
Provision for doubtful receivables/advances/assets (Net)	467.5	365.0
Loss on sale/write-off of fixed assets (Net)	49.9	156.9
Loss on current investment	0.1	-
Corporate Social Responsibility (CSR) expenditure (Refer Note below)	187.6	81.3
Miscellaneous expenses	1,160.9	1,075.6
TOTAL	29,821.4	27,490.4

Notes to Consolidated financial statements for the year ended March 31, 2016
(All amounts in Indian Rupees million, except share data and where otherwise stated)

Details of CSR expenditure		Year ended March 31, 2016		Year ended March 31, 2015
a.	Gross amount required to be spent by the Company during the year	282.2		139.8
		In cash	Yet to be paid in cash	Total
b.	Amount spent during the year ending on March 31, 2016:			
i.	Construction/acquisition of any asset	-	-	-
ii.	On purposes other than (i) above	187.6	-	187.6
	Amount spent during the year ending on March 31, 2015:			
i.	Construction/acquisition of any asset	-	-	-
ii.	On purposes other than (i) above	81.3	-	81.3

		Year ended March 31, 2016		Year ended March 31, 2015
26.	DEPRECIATION/AMORTIZATION			
	Depreciation of tangible assets	3,445.6		3,332.1
	Less: Transfer to retained earnings	-		278.7
		3,445.6		3,053.4
	Amortization of intangible assets	480.5		272.7
	TOTAL	3,926.1		3,326.1

*During last year, based on transitional provisions, an amount of ₹196.4 (net of deferred tax) has been adjusted with opening retained earnings.

		Year ended March 31, 2016		Year ended March 31, 2015
27.	FINANCE COSTS			
	Interest	793.3		708.6
	Bank charges	133.9		134.5
	Exchange difference to the extent considered as an adjustment to borrowing costs	1,640.4		755.6
	TOTAL	2,567.6		1,598.7

28. Capital and other commitments

- Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for ₹3,679.6 (March 31, 2015: ₹ 4,085.1).
- Export Commitment against import of machinery without duty ₹147.1 (March 31, 2015: ₹49.8).

29. Contingent liabilities

		As at March 31, 2016	As at March 31, 2015
	Outstanding bank guarantees	1,015.8	722.6
	Claims arising from disputes not acknowledged as debts - direct taxes*	308.8	308.8
	Claims arising from disputes not acknowledged as debts - indirect taxes (excise duty, VAT and service tax)*#	296.2	772.1
	Claims against the Group not acknowledged as debts - other duties/claims*	150.3	150.3
	Bills discounted with banks	4,436.6	-

* in respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

Excludes ₹13.4 (March 31, 2015: ₹152.0) where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. All these cases are under litigation and are pending with various authorities, expected timing of resulting outflow of economic benefits cannot be specified.

30. Earning per share

	Year ended March 31, 2016	Year ended March 31, 2015
Consolidated profit after tax and minority interest considered for calculation of basic and diluted earnings per share	19,820.0	15,757.7
Weighted average number of equity shares considered for calculation of basic earnings per share (a)*	584,157,080	583,520,367
Effect of dilution on account of Employee Stock Options granted (b)*	162,549	245,810
Weighted average number of equity shares considered for calculation of diluted earnings per share (a+b)*	584,319,629	583,766,177

*Adjusted for bonus issue

31. Employee Stock Option Plan 'ESOP-2006'

The parent company instituted an Employee Stock Option Plan 'ESOP-2006' as per the special resolution passed in the 19th Annual General Meeting held on September 18, 2006. This scheme has been formulated in accordance with the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The compensation committee accordingly, granted total 3,240,500 options under seven grants of 175,000; 25,000; 90,000; 1,205,000; 300,000; 500,000; 915,500 and 30,000 options to eligible employees on October 30, 2006; July 31, 2007; October 31, 2007; December 16, 2011; June 19, 2012; January 9, 2013; January 28, 2013 and August 9, 2013 respectively. The method of settlement under scheme is by issue of equity shares of the Company. Each option comprises of one underlying equity share of ₹1 each. The said options vest on an annual basis at 10%, 15%, 25% and 50% over a period of four years and can be exercised over a period of six years from the date of grant of options. The options have been granted at the then prevailing market price of ₹120.70, ₹132.35, ₹114.50, ₹91.60, ₹106.05, ₹200.70, ₹187.40 and ₹161.30 per share respectively and hence the question of accounting for employee deferred compensation expenses does not arise as the parent company follows intrinsic value method.

The details of options outstanding of ESOP 2006 Scheme:

	As at March 31, 2016	As at March 31, 2015
Options outstanding at the beginning of the year	1,556,145	2,131,369
Granted during the year	-	-
Additional options on adjustment of bonus issue @1:1 on July 22, 2015	1,143,470	-
Vested/exercisable during the year	1,497,564	474,570
Exercised during the year	1,205,036	525,254
Forfeited during the year subject to reissue	467,459	49,970
Options outstanding at end of the year	1,027,120	1,556,145
Exercisable at the end of the year	351,950	22,548
Weighted average exercise price for all the above options (₹)*	60.27	107.52
Weighted average fair value of options at the date of grant (₹)*	71.57	127.63

*For March 31, 2015 not adjusted for bonus issue.

	Range of exercise prices (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)
As at March 31, 2016	45 to 101	1,027,120	2.59
As at March 31, 2015	91 to 201	1,556,145	3.41

Notes to Consolidated financial statements for the year ended March 31, 2016
(All amounts in Indian Rupees million, except share data and where otherwise stated)

Disclosures as per Fair Value Method

The Group's net profit and earnings per share would have been as under, had the compensation cost for employees' stock options been recognized based on the fair value at the date of grant in accordance with 'Black Scholes' model.

	Year ended March 31, 2016	Year ended March 31, 2015
Profit after taxation		
As reported in Consolidated Statement of Profit and Loss	19,820.0	15,757.7
Less: Additional employee compensation cost based on Fair Value	17.9	23.6
Profit after taxation as per Fair Value Method	19,802.1	15,734.1
Earnings per share		
Basic		
No. of shares*	584,157,080	583,520,367
EPS as reported (₹)	33.93	27.00
EPS as per Fair Value Method (₹)	33.90	26.96
Diluted		
No. of shares*	584,319,629	583,766,177
EPS as reported (₹)	33.92	26.99
EPS as per Fair Value Method (₹)	33.89	26.95

*adjusted for bonus issue

The following assumptions were used for calculation of fair value of grants:

	As at March 31, 2016 ESOP 2006	As at March 31, 2015 ESOP 2006
Risk-free interest rate (%)	8	8
Expected life of options (Years)	6	6
Expected volatility (%)	0.15	0.15
Dividend yield (%)	100	61

32. Retirement benefits

	Year ended March 31, 2016	Year ended March 31, 2015
a. Disclosures related to defined contribution plan		
Provident fund contribution recognized as expense in the Consolidated Statement of Profit and Loss	225.1	155.5

b. Disclosures related to defined benefit plan

The parent company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days last drawn salary for each completed year of service.

The scheme is funded with an insurance company in the form of a qualifying insurance policy. The following tables summarise the components of net benefit expense recognized in the consolidated statement of profit and loss, the fund status and consolidated balance sheet position:

Consolidated Statement of Profit and Loss

	Year ended March 31, 2016	Year ended March 31, 2015
Net employee benefit expense (included under employee benefit expenses)		
Current service cost	87.2	54.8
Interest cost on benefit obligation	45.5	36.0
Expected return on plan assets	(20.2)	(19.0)
Net actuarial (gain)/loss recognized in the year	22.0	101.6
Net benefit expense*	134.5	173.4
Actual return on plan assets	20.3	19.6

*Includes ₹6.2 (March 31, 2015: ₹1.4) transferred to capital work-in-progress.

Consolidated Balance Sheet

	As at March 31, 2016	As at March 31, 2015
Details of provision for gratuity		
Defined benefit obligation (DBO)*	618.1	503.4
Fair value of plan assets (FVPA)**	340.5	246.9
Net plan liability	277.6	256.5

* DBO as at March 31, 2014: ₹341.0; March 31, 2013: ₹317.7; March 31, 2012: ₹240.9.

**FVPA as at March 31, 2014: ₹228.1; March 31, 2013: ₹202.7; March 31, 2012: ₹174.7.

Changes in the present value of the defined benefit obligation for gratuity are as follows:

	Year ended March 31, 2016	Year ended March 31, 2015
Opening defined benefit obligation	503.4	341.1
Current service cost	87.2	54.8
Interest cost	45.5	36.0
Benefits paid	(40.0)	(30.8)
Actuarial losses on obligation*	22.0	102.3
Closing defined benefit obligation	618.1	503.4

* Experience adjustments on plan liabilities March 31, 2016: ₹11.8; March 31, 2015: ₹12.9; March 31, 2014: ₹9.7; March 31, 2013: ₹4.8 and March 31, 2012: ₹12.6.

Changes in fair value of plan assets

	Year ended March 31, 2016	Year ended March 31, 2015
Opening fair value of plan assets	246.9	228.1
Expected return	20.2	19.0
Contributions by employer	113.3	30.0
Benefits paid	(40.0)	(30.8)
Actuarial gains*	0.1	0.6
Closing fair value of plan assets	340.5	246.9

* Experience adjustments on plan assets March 31, 2016: ₹0.00; March 31, 2015: ₹0.6; March 31, 2014: ₹(0.01); March 31, 2013: ₹0.3 and March 31, 2012: ₹3.3.

Notes to Consolidated financial statements for the year ended March 31, 2016
(All amounts in Indian Rupees million, except share data and where otherwise stated)

The principal assumptions used in determining gratuity obligations for the parent company's plans are shown below:

		As at March 31, 2016	As at March 31, 2015
Discount rate (p.a.)	(%)	7.95	7.90
Expected return on assets (p.a.)	(%)	8.00	8.00
Employee turnover:			
Age (Years)			
21-30	(%)	8	8
31-40	(%)	4	4
41-57	(%)	1	1

Notes:

1. The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
2. Percentage of plan assets as a percentage of the fair value of total plan assets with insurer is 100%.
3. The expected rate of return on assets is based on the expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.
4. The parent company expects to contribute ₹65.0 (March 31, 2015: ₹30.0) to the qualifying insurance policy in 2016-17.
5. Gratuity expense for the year has been included in retirement benefits under employee benefit expenses.
6. The above disclosure does not include net benefit expense of ₹2.4 (March 31, 2015: ₹12.0) and net plan liability of ₹22.2 (March 31, 2015: ₹17.2) relating to other components of the Group/Consolidated entities.

33. Expenditure during construction period pending capitalization

	As at March 31, 2016	As at March 31, 2015
Balance brought forward	492.8	530.2
Add: Incurred during the year		
Salaries, wages and bonus	406.6	96.1
Consumption of material for testing	273.3	-
Consumption of stores and spares	118.6	1.6
Carriage inward	2.3	0.5
Power and fuel	137.2	22.5
Conversion charges	29.9	1.7
Rates and taxes	3.2	11.0
Printing and stationery	10.1	0.4
Postage and telephones	2.0	1.7
Insurance	1.3	0.9
Legal and professional charges	3.4	0.7
Travelling and conveyance	19.4	4.6
Depreciation	3.3	2.4
Factory maintenance	25.4	5.9
Miscellaneous expenses	185.3	59.9
	1,714.1	740.1
Less: Capitalized to fixed assets during the year	272.5	247.3
Less: Interest income (Net of tax)	7.3	-
Balance carried forward	1,434.3	492.8

34. Acquisition of subsidiaries

- i. Effective April 1, 2015, Aurobindo Pharma Limited acquired 60% stake in the share capital of Tergene Biotech Private Limited (herein after referred as 'acquired entity').

The acquisition of the interest in the acquired entity has been accounted in accordance with the accounting principles laid down under AS 21. Accordingly, excess of purchase price paid over the net assets acquired has been recorded as Goodwill in the Consolidated Financial Statements. Transactions relating to Statement of Profit and Loss of the acquired entity have been included in the Consolidated Statement of Profit and Loss from the effective date of acquisition.

The interest of APL in the net assets of the acquired entity and resulting goodwill as on the date of acquisitions are as given hereunder:

Particulars	March 31, 2016
Purchase consideration	33.9
Net assets as on the date of acquisition	31.0
Goodwill	2.9

- a. Summary of post acquisition loss of the acquired entity included in the Consolidated Statement of Profit and Loss for the year ended March 31, 2016

Particulars	March 31, 2016
Income	0.6
Expenses	54.9
Net loss considered in the Consolidated Statement of Profit and Loss	(54.3)

- b. The assets and liabilities of the acquired entity included in the Consolidated Balance Sheet as at March 31, 2016 are:

Particulars	March 31, 2016
Liabilities	
Non-current liabilities	
Long-term borrowings	3.8
Current liabilities	
Trade payables	1.6
Other current liabilities	3.3
Assets	
Non-current assets	
Fixed assets (Net)	30.4
Capital work-in-progress	1.3
Long-term loans and advances	7.9
Current assets	
Cash and bank balances	5.9
Short-term loans and advances	0.6

- ii. Effective December 4, 2014, Aurobindo Pharma USA Inc., U.S.A., the subsidiary of APL acquired the assets including business of Natrol Inc, U.S.A. and its affiliates under an auction process and continued operations under Natrol LLC, U.S.A. ('acquired entity').

The initial purchase price of the acquired entity on December 4, 2014 has been allocated based on estimated fair values at the date, for the various assets and liabilities assumed under an Asset Purchase Agreement. The Company ascribed fair values based on its then estimates and third party technical evaluation for the various tangible and intangible assets acquired. On April 6, 2015, the Company filed a complaint against the sellers group regarding certain discrepancies in the value of acquired assets under the Asset Purchase Agreement and subsequently reached a settlement pursuant to which the Company received consideration in the form of cash, certain global intellectual property rights and other assets. The seller was also obligated to assume certain disputed liabilities (included in the initial purchase price allocation). The settlement was approved by the Bankruptcy Court of the District of Delaware. The following table summarizes the preliminary and as adjusted, allocation of purchase price consideration, for the fair values of the assets acquired and liabilities assumed and the determination of goodwill:

Notes to Consolidated financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	As adjusted	Preliminary
Purchase consideration	8,845.0	8,343.8
Liabilities assumed:		
Accounts payable, accrued expenses and customer deposits	1,196.5	1,166.8
Total (A)	10,041.5	9,510.6
Fair value of net assets acquired:		
Cash and cash equivalents	1,598.9	206.8
Accounts receivables net	761.4	664.4
Inventory	1,431.1	1,350.0
Property and equipment	447.0	421.7
Intangibles - Customer relationships and brand products	2,106.9	1,837.5
Other assets	92.7	337.4
Total (B)	6,438.0	4,817.8
Goodwill (A-B)	3,603.5	4,692.8

As at March 31, 2016, the consolidated balance sheet reflects the purchase price allocated to the assets acquired and liabilities assumed based on revised estimated fair values on December 4, 2014 and the effects of the legal settlement and additional adjustments. The excess of the purchase consideration over the fair value of the net assets acquired has been allocated to goodwill. The Company has also been awarded or assigned the rights to receive certain settlements, claims and tax refunds which are subject to conditions, the passage of time and third party approvals. Based on the inherent uncertainties in ultimately receiving these funds, the Company has not ascribed a value to these items. Any further transactions, receipts or payments related to the ultimate resolution of these matters are not expected to be material; however such items will be recognized in results of operations in future periods.

a. Summary of post acquisition profit of the acquired entity included in the Consolidated Statement of Profit and Loss for the year ended:

Name of the acquired entity	Income	Expenses	Net profit considered in the Consolidated Statement of Profit and Loss
March 31, 2016	7,263.2	6,247.1	1,016.1
March 31, 2015	1,880.7	1,798.6	82.1

b. The assets and liabilities of the acquired entity included in the Consolidated Balance Sheet as at March 31, 2015 are:

Particulars	Natrol LLC
Liabilities	
Current liabilities	
Trade payables	539.2
Other current liabilities	298.2
Assets	
Non-current assets	
Fixed assets (Net)	6,745.4
Capital work-in-progress	202.3
Current assets	
Inventory	1,195.4
Trade receivables	548.7
Cash and bank balances	181.5
Short-term loans and advances	397.4

- iii. Effective April 1, 2014, Agile Pharma B.V. acquired 100% stake in the share capital of Arrow Generiques SAS, France, Actavis France SAS, France, Actavis Management GmbH, Germany, Actavis Deutschland GmbH & Co. KG, Germany, Aurovitas Spain S.A., Spain (formerly Actavis Spain S.A.) and Actavis B.V., The Netherlands ('collectively herein after referred as acquired entities').

The acquisition of the interests in the acquired entities has been accounted in accordance with the accounting principles laid down under AS 21. Accordingly, excess of net assets acquired over the purchase price paid has been recorded as capital reserve in the Consolidated Financial Statements. Transactions relating to Statement of Profit and Loss of the acquired entities have been included in the Consolidated Statement of Profit and Loss from the effective dates of acquisition.

The interest of APL in the net assets of the acquired entities and resulting capital reserve as on the date of acquisitions are as given hereunder:

Particulars	March 31, 2015
Purchase consideration	2,525.6
Net assets as on the date of acquisition	3,253.4
Capital reserve	(727.8)

- a. Summary of post acquisition profit (after elimination of inter company transactions) of the acquired entities included in the Consolidated Statement of Profit and Loss for the year ended March 31, 2015

Particulars	March 31, 2015
Income	22,573.7
Expenses	16,271.3
Net profit considered in the Consolidated Statement of Profit and Loss	6,302.4

- b. The assets and liabilities of the acquired entities included in the Consolidated Balance Sheet as at March 31, 2015 are:

Particulars	March 31, 2015
Liabilities	
Non-current liabilities	
Long-term provisions	4.3
Current liabilities	
Trade payables	4,272.9
Other current liabilities	4,962.1
Short-term provisions	89.9
Assets	
Non-current assets	
Fixed assets (Net)	306.7
Capital work-in-progress	119.6
Longterm loans and advances	9.8
Current assets	
Inventory	5,542.5
Trade receivables	3,673.6
Cash and bank balances	1,623.9
Short-term loans and advances	475.1

- iv. The Consolidated Financial Statements include financial results of operations and financial position of the above acquisitions. The corresponding figures of the previous year are not comparable.

Notes to Consolidated financial statements for the year ended March 31, 2016
(All amounts in Indian Rupees million, except share data and where otherwise stated)

35. Related party disclosures

i. Names of related parties and description of relationship

a. Enterprises over which key management personnel or their relatives exercise significant influence

Pravesha Industries Private Limited, India
Sri Sai Packaging, India (Partnership firm)
Trident Chemphar Limited, India
Auropro Soft Systems Private Limited, India
Axis Clinicals Limited, India
Axis Clinicals LLC, U.S.A.
Pranit Projects Private Limited, India
Pranit Packaging Private Limited, India
Cogent Glass Limited, India
Orem Access Bio Inc, India
Veritaz Healthcare Limited, India
Alex Merchant Pte. Limited, Singapore
Trident Petrochemicals DMCC, Dubai

b. Key managerial personnel

Mr. K. Nithyananda Reddy, Whole-time Director
Dr. M. Sivakumaran, Whole-time Director
Mr. M Madan Mohan Reddy, Whole-time Director
Mr. N. Govindarajan, Managing Director
Mr. Sudhir B. Singhi, Chief Financial Officer (upto June 30, 2014)
Mr. Santhanam Subramanian, Chief Financial Officer (w.e.f. July 1, 2014)
Mr. A. Mohan Rami Reddy, Company Secretary

c. Relatives to key managerial personnel

Mr. P. Sarath Chandra Reddy (Son-in-law of Mr. K. Nithyananda Reddy, Whole-time Director)
Mr. Vishnu M. Sriram (Son-in-law of Dr. M. Sivakumaran, Whole-time Director)

ii. Transactions with related parties

a. Transactions with enterprises over which key management personnel or their relatives exercise significant influence

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Pravesha Industries Private Limited, India		
Sale of goods	–	0.2
Purchase of goods	1,892.1	1,589.2
Rent and electricity charges received	1.0	0.3
Balance receivable	0.1	–
Balance payable	58.0	29.5
Sri Sai Packaging, India		
Sale of goods	0.4	0.3
Purchase of goods	196.0	169.0
Balance receivable	–	–
Balance payable	0.3	0.2
Axis Clinicals Limited, India		
Purchase of services	549.0	308.0
Balance payable	79.0	22.7

(Contd.)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Axis Clinicals LLC, USA		
Purchase of services	10.5	-
Balance payable	5.2	-
Trident Chemphar Limited, India		
Sale of goods	-	77.3
Purchase of goods	696.1	1,202.5
Balance payable	108.4	65.0
Auropro Soft Systems Private Limited, India		
Purchase of goods	-	2.5
Purchase of services	-	3.7
Pranit Packaging Private Limited, India		
Purchase of goods	165.9	121.6
Sale of goods	-	-
Balance receivable	0.8	0.7
Balance payable	-	0.1
Pranit Projects Private Limited, India		
Purchase of services (Civil services)	19.5	49.7
Cogent Glass Limited, India		
Purchase of goods	571.7	446.6
Balance payable	138.1	25.6
Orem Access Bio Inc, India		
Purchase of goods	114.3	85.5
Balance payable	-	-
Veritaz Healthcare Limited, India		
Sale of goods	8.4	25.0
Purchase of services	-	14.5
Rent received	0.3	0.3
Balance payable	-	-
Balance receivable	2.7	17.8
Alex Merchant Pte. Limited, Singapore		
Purchase of goods	-	309.1
Balance receivable	-	8.4
Trident Petrochemicals DMCC, Dubai		
Purchase of goods	164.6	156.3
Balance payable	0.1	39.9
b. Transactions with key managerial personnel		
Mr. K. Nithyananda Reddy		
Managerial remuneration	14.3	10.5
Rent expense	2.2	2.0
Dr. M. Sivakumaran		
Managerial remuneration	14.3	10.5
Mr. M. Madan Mohan Reddy		
Managerial remuneration	15.2	10.5
Mr. P. Sarath Chandra Reddy		
Directors sitting fees	0.4	0.4
Mr. Vishnu M. Sriram		
Remuneration	4.4	4.1
Equity allotment – ESOP	0.2	0.2

(Contd.)

Notes to Consolidated financial statements for the year ended March 31, 2016
(All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Mr. N. Govindarajan		
Managerial remuneration	90.5	59.7
Equity allotment – ESOP	22.9	11.5
Balance payable	65.0	40.0
Mr. Sudhir B. Singhi		
Remuneration (upto June 30, 2014)	–	2.5
Mr. Santhanam Subramanian		
Remuneration (w.e.f. July 1, 2014)	11.9	6.6
Balance payable	2.0	–
Mr. A. Mohan Rami Reddy		
Remuneration	3.3	3.9
Equity allotment – ESOP	0.3	0.2
Loan outstanding	–	0.1

Note: Managerial remuneration does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.

36. Leases

a. Operating lease

- Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/cancellable at the option of either of the parties except for details in (ii) below. There is no escalation clause in the lease agreement. There are no sub-leases. There are no restrictions imposed by lease arrangements. The aggregate amount of operating lease payments recognised in the Consolidated Statement of Profit and Loss is ₹606.1 (March 31, 2015: ₹525.1).

The Group's/Consolidated entities has not recognized any contingent rent as expense in the Consolidated Statement of Profit and Loss.

- The parent company has entered into non cancellable leases for office premises in current year and previous year. These leases have remaining non cancellable period of 17 months (March 31, 2015: 29 months). The lease includes an escalation clause in the lease agreement. Future minimum lease rentals under non cancellable operating leases are as follows:

Particulars	March 31, 2016	March 31, 2015
a. Within one year	42.3	40.3
b. After one year and not more than three years	18.0	60.3
c. After three years and not more than five years	–	–

b. Finance lease

- Buildings include factory buildings acquired on finance lease. The agreement is silent on renewal terms and transfer of legal title at the end of lease term.
- The lease agreement did not specify minimum lease payments over the future period. The factory building is acquired on lease at a consideration of ₹359.7 (March 31, 2015: ₹204.4).
- The net carrying amount of the buildings obtained on finance lease ₹311.2 (March 31, 2015: ₹175.4).

37. Disclosure regarding derivative financial instruments

- The aggregate amount of forward contracts entered into by the parent company and remaining outstanding as at Balance Sheet date are:

Hedge - To sell against	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Receivable	\$7,000,095	–	463.8	–
Short-term borrowings	\$10,525,000	–	697.3	–
Receivable	£4,800,000	–	458.3	–
Receivable	€10,204,772	–	769.4	–

b. Particulars of unhedged foreign currency exposure are detailed below at the exchange rate prevailing as at the Balance Sheet date:

Particulars	As at March 31, 2016	As at March 31, 2015
Loans availed	(31,681.5)	(32,007.4)
Trade receivables	26,051.5	29,783.7
Loans and advances (including other current assets)	275.0	401.7
Trade payables (including creditors for capital goods)	(4,862.9)	(3,737.8)
Interest accrued but not due	(37.7)	(87.4)
Investments	7,050.0	7,224.5
Bank balances	2,217.9	313.0

38. In accordance with paragraph 10 of Notified Accounting Standard 9 on Revenue Recognition, excise duty on sales amounting to ₹1,605.7 (March 31, 2015: ₹1,520.1) has been reduced from sales in Consolidated Statement of Profit and Loss and excise duty on decrease in closing stock of finished goods amounting to ₹12.1 (March 31, 2015: ₹2.7) has been debited to the Consolidated Statement of Profit and Loss.

39. Additional statutory information in respect of the components of APL and its consolidated entities

	March 31, 2016				March 31, 2015			
	Net assets i.e. total assets minus total liabilities		Share in profit/(loss)		Net assets i.e. total assets minus total liabilities		Share in profit/(loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount
Parent - Aurobindo Pharma Limited	96.51	68,105.2	81.72	16,196.7	103.95	53,595.4	96.23	15,163.5
Subsidiaries – Indian								
APL Research Centre Limited	0.17	119.6	(0.01)	(2.8)	0.23	120.9	(0.00)	(0.1)
APL Healthcare Limited	1.16	816.8	(0.29)	(56.6)	1.07	553.8	(0.01)	(1.6)
Auronext Pharma Private Limited	1.19	843.5	(1.04)	(205.6)	1.26	649.4	(1.29)	(202.9)
Auro Peptides Limited	1.00	704.7	0.53	105.2	0.85	439.5	(0.39)	(61.5)
Aurobindo Antibiotics Limited	0.01	4.7	(0.04)	(8.2)	0.00	0.4	(0.00)	(0.1)
Curepro Parenterals Limited	1.22	862.6	0.00	(0.2)	0.62	317.7	0.01	1.9
Eugia Pharma Specialities Limited	2.01	1,420.8	(0.06)	(11.1)	0.92	473.6	(0.01)	(1.4)
Hyacinths Pharma Private Limited	0.13	95.8	(0.01)	(1.1)	0.16	84.4	(0.00)	(0.1)
Silicon Life Sciences Private Limited	0.47	329.9	(0.33)	(66.0)	0.74	383.4	(0.02)	(3.1)
AuroZymes Limited	(0.00)	(0.2)	(0.00)	(0.6)	0.00	0.4	(0.00)	(0.1)
Tergene Biotech Private Limited	0.05	37.3	(0.27)	(54.3)	-	-	-	-
Subsidiaries – Foreign								
APL Pharma Thai Limited	0.23	161.1	(0.07)	(14.0)	0.35	178.5	(0.07)	(11.4)
Aurobindo Pharma Industria Farmaceutica Ltda	0.96	677.7	1.20	237.2	0.92	471.9	2.87	455.0
Aurobindo Pharma Produtos Farmaceuticos Ltda	0.13	91.5	0.61	121.1	(0.06)	(31.8)	(0.34)	(53.2)
All Pharma (Shanghai) Trading Company Limited	0.22	154.3	0.05	10.4	0.27	141.6	0.06	9.5
Helix Healthcare B.V.	9.42	6,651.2	(2.06)	(408.3)	10.70	5,518.0	(0.25)	(38.8)
Agile Pharma B.V.	5.03	3,547.9	0.96	189.5	5.79	2,985.2	1.27	200.1
Auro Pharma Inc.	0.36	252.5	0.69	136.3	0.21	107.6	0.01	1.0
Aurobindo Pharma (Australia) Pty Limited	-	-	(0.01)	(2.4)	0.25	126.7	(0.69)	(108.2)
APL Holdings (Jersey) Limited	-	-	(0.01)	(1.8)	0.39	201.6	(0.34)	(54.2)
Aurobindo Pharma (Pty) Limited	0.59	417.0	0.36	72.2	0.77	396.5	0.86	134.8
Auro Healthcare (Nigeria) Limited	0.00	0.8	(0.02)	(3.3)	0.01	3.9	0.00	0.3
Aurobindo Pharma Japan K.K.	0.15	105.5	0.03	6.0	0.17	87.4	0.03	4.1
Agile Malta Holdings Limited	-	-	-	-	-	-	0.00	0.4
Laboratorios Aurobindo, S.L.	0.08	56.8	0.07	14.8	0.07	36.9	(1.41)	(221.5)
Aurobindo Pharma (Italia) S.r.l.	0.16	116.0	(1.20)	(236.9)	0.21	109.0	(3.41)	(536.7)
Aurobindo Pharma (Portugal) Unipessoal LDA	(0.48)	(338.0)	(0.72)	(143.7)	(0.32)	(167.4)	(1.10)	(173.3)

(Contd.)

Notes to Consolidated financial statements for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Additional statutory information in respect of the components of APL and its consolidated entities (Contd.)

	March 31, 2016				March 31, 2015			
	Net assets i.e. total assets minus total liabilities		Share in profit/(loss)		Net assets i.e. total assets minus total liabilities		Share in profit/(loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount
Aurobindo Pharma GmbH	0.43	301.1	0.19	37.9	0.45	233.1	0.65	101.7
Aurobindo Ilac Sanayi Ve Ticaret Limited Sirketi	0.12	86.8	(0.07)	(13.1)	0.20	102.5	(0.09)	(14.4)
Aurobindo Pharma B.V.	-	-	(0.16)	(31.5)	0.15	76.3	(0.20)	(31.3)
Aurobindo Pharma (Singapore) Pte Limited	-	-	(0.00)	(0.7)	0.00	-	(0.00)	(0.6)
Aurobindo Pharma (Romania) s.r.l.	0.09	60.7	(0.04)	(7.5)	0.12	62.7	(0.13)	(19.9)
Aurobindo Pharma Limited, s.r.l.	-	-	-	-	-	-	(0.00)	(0.6)
Aurobindo Pharma NZ Limited	-	-	-	-	-	-	-	-
Aurovida Farmaceutica S.A. de C.V.	0.49	343.9	(0.31)	(61.1)	0.58	301.3	(0.27)	(42.0)
Aurobindo Pharma Colombia S.A.S.	0.02	15.8	(0.03)	(6.3)	0.00	1.1	(0.08)	(13.0)
Aurovitas Unipessoal LDA	0.11	76.6	0.13	25.2	0.09	44.8	0.32	51.2
Aurovitas S.L.	-	-	-	-	-	-	(0.00)	(0.4)
Pharmacin B.V. (Formerly Aurex B.V.)	0.02	11.5	0.02	4.5	0.01	6.1	-	-
Aurobindo Pharma USA Inc.	10.04	7,086.6	3.63	719.9	14.26	7,349.9	5.10	803.1
Aurolife Pharma LLC	10.39	7,333.4	8.76	1,735.7	10.20	5,256.9	7.95	1,252.8
Auromedics Pharma LLC	0.60	427.0	1.37	270.8	0.28	143.7	0.18	27.8
Auro Health LLC	(0.80)	(565.2)	(0.74)	(147.1)	(0.76)	(392.4)	(0.84)	(133.0)
Natrol LLC	1.02	722.0	3.77	748.1	(0.07)	(34.8)	(0.41)	(64.5)
Aurex B.V. (Formerly Pharmacin B.V.)	0.14	97.1	0.10	19.6	0.13	68.3	0.32	49.8
Milpharm Limited	1.19	842.9	0.62	123.2	1.36	700.7	0.06	9.4
Aurobindo Pharma (Malta) Limited	0.86	609.7	(0.41)	(81.6)	1.20	619.4	(0.07)	(10.9)
APL Swift Services (Malta) Limited	0.29	203.3	(0.14)	(26.8)	0.40	206.2	0.08	11.9
APL IP Company Limited	-	-	(0.00)	(1.0)	0.01	7.2	(1.76)	(276.9)
Arrow Generiques SAS	2.66	1,876.1	0.88	173.6	2.92	1,506.6	(0.30)	(46.8)
Actavis France SAS	-	-	-	-	0.84	433.6	(0.38)	(59.1)
1980 Puren Pharma GmbH (Formerly Actavis Management GmbH)	0.01	3.9	(0.00)	(0.7)	0.01	4.2	0.00	0.2
Puren Pharma GmbH (Formerly Actavis Deutschland GmbH & Co. KG, Germany)	2.12	1,494.3	3.60	714.5	2.09	1,078.1	2.61	410.6
Aurovitas Spain SA	0.91	640.9	(0.26)	(50.9)	1.20	618.6	0.03	4.3
Aurobindo Pharma B.V. (Formerly Actavis B.V.)	(0.19)	(137.1)	(1.46)	(289.1)	0.01	7.4	(0.97)	(153.1)
Joint ventures (as per proportionate consolidation)								
Joint ventures – Foreign								
Novagen Pharma (Pty) Limited	0.42	294.2	0.48	94.7	0.50	257.6	0.57	90.2
Minority interests in all subsidiaries	0.84	595.5	(0.20)	(39.1)	0.50	258.2	(0.29)	(45.1)
TOTAL	150.87	106,465.0	100.21	19,861.9	165.21	85,185.4	104.67	16,494.0
Consolidation adjustments	(50.87)	(35,897.7)	(0.21)	(41.9)	(65.21)	(33,626.3)	(4.67)	(736.3)
Net amount	100.00	70,567.3	100.00	19,820.0	100.00	51,559.1	100.00	15,757.7

Note :

- The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impacts on elimination of inter company transactions/profits/consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under requirements of the Companies Act, 2013.
- Percentages below 0.01% have been disclosed as 0.00%.

40. Details of advances due from private companies in which parent company's director is a director.

Pranit Packaging Private Limited, India ₹0.8 (March 31, 2015: ₹0.7).

41. i. Details of trade receivables due from private companies in which parent company's director is a director.

Pravesha Industries Private Limited, India ₹0.1 (March 31, 2015: ₹Nil).

- ii. Details of trade receivables due from partnership firm in which parent company's director is a partner.

Sri Sai Packaging, India ₹0.02 (March 31, 2015: ₹0.02).

42. The amount of research and development expenditure charged to Consolidated Statement of Profit and Loss is ₹4,699.4 (March 31, 2015: ₹3,465.5).

43. Interest in joint ventures

The Group has joint control over one joint venture entity:

Novagen Pharma (Pty) Limited, incorporated in South Africa, is engaged in distribution of pharmaceuticals products.

Notes:

- i. Contingent liabilities of the above joint venture entities ₹Nil (March 31, 2015: ₹Nil).

- ii. Capital commitments of the above joint venture entities ₹Nil (March 31, 2015: ₹Nil).

The aggregate amount of the assets, liabilities, income and expenses related to the Group's share in the joint venture included in these consolidated financial statements as of and for the year ended March 31, 2016 are given below:

Particulars	2015-16		
	Gross amount	Adjustments/ Eliminations	Net amount
Balance Sheet			
Current assets	338.8	72.0	266.8
Non-current assets	78.6	75.4	3.2
Total assets	417.4	147.4	270.0
Current liabilities	149.7	70.6	79.1
Non-current liabilities	–	–	–
Total liabilities	149.7	70.6	79.1
Statement of Profit and Loss			
Income			
Revenue from operations	645.6	–	645.6
Other income	2.6	–	2.6
	648.2	–	648.2
Expenditure			
Purchase of traded goods	307.5	280.4	27.1
Increase in traded goods	(104.8)	(37.6)	(67.2)
Employee benefit expenses	41.1	–	41.1
Other expenses	289.0	5.0	284.0
Depreciation	4.0	3.1	0.9
Finance costs	0.4	–	0.4
	537.2	250.9	286.3
Profit before tax	111.0	(250.9)	361.9
Income tax expense	32.3	–	32.3
Profit after tax	78.7	(250.9)	329.6

Notes to Consolidated financial statements for the year ended March 31, 2016
(All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	2014-15		
	Gross amount	Adjustments/ Eliminations	Net amount
Balance Sheet			
Current assets	260.5	34.5	226.0
Non-current assets	89.2	85.6	3.6
Total assets	349.7	120.1	229.6
Current liabilities	94.1	29.1	65.0
Non-current liabilities	-	-	-
Total liabilities	94.1	29.1	65.0
Statement of Profit and Loss			
Income			
Revenue from operations	656.1	-	656.1
Other income	11.3	-	11.3
	667.4	-	667.4
Expenditure			
Purchase of traded goods	143.2	142.0	1.2
Decrease in traded goods	59.7	30.9	28.8
Employee benefit expenses	42.0	-	42.0
Other expenses	294.9	(20.3)	315.2
Depreciation	3.4	-	3.4
Finance costs	0.3	-	0.3
	543.5	152.6	390.9
Profit before tax	123.9	(152.6)	276.5
Income tax expense	35.6	-	35.6
Profit after tax	88.3	(152.6)	240.9

44. Segment information

a. Identification of reportable segments:

Segments are identified in line with AS 17 'Segment Reporting', taking into consideration the internal organization and management structure as well as the differential risk and returns of the segment.

Based on the Group's/Consolidated Entities business model of vertical integration, pharmaceuticals have been considered as the only reportable business segment and hence no separate financial disclosures provided in respect of its single business segment.

Operations of the Group/Consolidated Entities are managed from independent locations, which are located in different geographical locations. However, each of these operating locations are further aggregated based on the following factors: (a) similarity of economic and political conditions; (b) relationships between operations in different geographical areas; (c) proximity of operations; (d) special risks associated with operations in a particular area; (e) exchange control regulations; and (f) the underlying currency risk. Accordingly, the following have been identified as operating and reportable segments: (a) 'India', (b) 'USA' (c) 'Europe' and (d) 'Rest of the World'.

b. Method of pricing inter segment transfers:

Inter segment sales are generally accounted at fair values and the same have been eliminated in consolidation. The accounting policies of the segments are substantially the same as those described in the 'Statement of Significant Accounting Policies' as under para 1 above.

c. Financial information as required in respect of operating and reportable segments is as given below:

Particulars	For the year ended and as at March 31, 2016					
	India	U.S.A.	Europe	Rest of the World	Eliminations	Consolidated
Revenue						
External sales	53,279.2	51,299.2	29,160.8	5,221.6	–	138,960.8
Inter - segment sales	38,480.2	–	38.8	879.5	(39,398.5)	–
Total revenue	91,759.4	51,299.2	29,199.6	6,101.1	(39,398.5)	138,960.8
Other information						
Segment assets	114,464.1	41,563.2	25,127.1	5,142.6	(32,727.4)	153,569.6
Other assets						3,423.9
Total assets						156,993.5
Segment liabilities	16,163.0	22,533.5	20,604.7	2,813.5	(26,039.3)	36,075.4
Other liabilities						50,350.8
Total liabilities						86,426.2
Capital expenditure	13,655.1	1,354.2	971.9	96.7	–	16,077.9
Depreciation/amortization	2,782.1	893.9	378.5	40.5	(168.9)	3,926.1
Non-cash expenses other than depreciation	417.7	1.7	35.2	0.7	–	455.3

Particulars	For the year ended and as at March 31, 2015					
	India	U.S.A.	Europe	Rest of the World	Eliminations	Consolidated
Revenue						
External sales	48,668.1	37,479.3	30,812.1	4,245.7	–	121,205.2
Inter-segment sales	32,183.9	–	11.7	2,587.6	(34,783.2)	–
Total revenue	80,852.0	37,479.3	30,823.8	6,833.3	(34,783.2)	121,205.2
Other information						
Segment assets	93,628.5	36,726.1	20,463.6	4,985.5	(30,392.6)	125,411.1
Other assets						3,733.7
Total assets						129,144.8
Segment liabilities	14,045.2	21,472.7	16,049.9	2,357.1	(24,303.5)	29,621.4
Other liabilities						47,964.3
Total liabilities						77,585.7
Capital expenditure	6,657.5	7,595.4	693.8	124.8	–	15,071.5
Depreciation/amortization	2,559.1	507.2	588.3	66.5	(395.0)	3,326.1
Non-cash expenses other than depreciation	138.7	–	110.8	39.9	–	289.4

45. The figures of previous year have been regrouped/rearranged, wherever necessary to conform to those of the current year.

As per our report of even date.


For and on behalf of the Board of Directors of Aurobindo Pharma Limited


For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004


per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Hyderabad, May 30, 2016


N. Govindarajan
Managing Director
DIN: 00050482


Santhanam Subramanian
Chief Financial Officer


Dr. M. Sivakumaran
Director
DIN: 01284320


A. Mohan Rami Reddy
VP (Legal) &
Company Secretary



AUROBINDO PHARMA LIMITED

CIN - L24239TG1986PLC015190

Registered Office: Plot No.2, Maitri Vihar, Ameerpet, Hyderabad 500 038

Tel. : +91 40 2373 6370 | Fax : +91 40 2374 7340

E-mail: info@aurobindo.com | Website : www.aurobindo.com

29th Annual General Meeting - Wednesday, 24th August, 2016

Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Shareholder(s): _____

Registered Address: _____

E-mail ID: _____ Folio No./Client ID: _____ DP ID: _____

I/We, being member(s) of Aurobindo Pharma Limited, holding _____ shares of the Company, hereby appoint:

1. Name: _____

Address: _____

E-mail ID: _____ Signature: _____

Or failing him/her

2. Name: _____

Address: _____

E-mail ID: _____ Signature: _____

Or failing him/her

3. Name: _____

Address: _____

E-mail ID: _____ Signature: _____

as my/our proxy to attend and vote (on poll) for me/us, on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 24th August, 2016 at 3.30 p.m. at Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad - 500 034 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary Business	
1.	To receive, consider and adopt the standalone Balance Sheet as at March 31, 2016, Statement of Profit and Loss and Cash Flow Statement for the financial year ended March 31, 2016 and reports of Directors and Auditors thereon.
2.	To receive, consider and adopt the Consolidated Balance Sheet as at March 31, 2016, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the financial year ended March 31, 2016 and report of Auditors thereon.
3.	To confirm the first interim dividend of ₹0.50, second interim dividend of ₹0.60, third interim dividend of ₹0.70 and fourth interim dividend of ₹0.70, in aggregate ₹2.50 per equity share of ₹1 each, as dividend for the year 2015-16.
4.	To appoint a Director in place of Mr. K. Nithyananda Reddy, who retires by rotation and being eligible, seeks re-appointment.
5.	To appoint a Director in place of Mr. M. Madan Mohan Reddy, who retires by rotation and being eligible, seeks re-appointment.
6.	To ratify the appointment of M/s. S.R.Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors of the Company and fix their remuneration.
Special Business	
7.	To revise the remuneration of Mr. N. Govindarajan, Managing Director of the Company.
8.	To revise the remuneration of Mr. M. Madan Mohan Reddy, Whole-time Director of the Company.
9.	To appoint Mr. P. Sarath Chandra Reddy as a Whole-time Director of the Company.

Signed this _____ day of _____ 2016

Signature of Member.....

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

Revenue Stamp

Notes: a. Proxy need not be a member of the Company.

b. The Proxy Form duly filled in and signed by the Member(s) across the revenue stamp should reach the Company's Registered Office: Plot No. 2, Maitri Vihar, Ameerpet, Hyderabad 500 038 at least 48 hours before the commencement of the meeting.

c. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.



AUROBINDO PHARMA LIMITED

CIN - L24239TG1986PLC015190

Registered Office: Plot No.2, Maitri Vihar, Ameerpet, Hyderabad 500 038

Tel. : +91 40 2373 6370 | Fax : +91 40 2374 7340

E-mail: info@aurobindo.com | Website : www.aurobindo.com

29th Annual General Meeting - Wednesday, 24th August, 2016

Attendance Slip

Folio No./Client ID:

No. of Shares:

DP ID:

Name and address of

First/sole shareholder:

I, hereby record my presence at the 29th Annual General Meeting of the Company to be held on - Wednesday, 24th August, 2016 at 3.30 p.m. at Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad - 500 034

Name of the Member/Proxy
(Block Letters)

Signature of the Member/Proxy

Notes:

- Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
- Member/Proxy who wish to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.
- Member/Proxy should bring his/her copy of Annual Report for reference at the meeting.

AGM Venue - Route Map

Hotel Taj Krishna, Road No. 1, Banjara Hills, Hyderabad - 500 034
Landmark: Between GVK One & City Center Mall





Prime Minister of Malta, Mr. Joseph Muscat at our Malta office after inauguration of the expansion project in February, 2016.

Forward Looking Statements

This communication contains statements that constitute ‘forward looking statements’ including, without limitation, statements relating to the implementation of strategic initiatives and other statements relating to our future business developments and economic performance.

While these forward looking statements represent our judgements and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that we have indicated could adversely affect our business and financial performance.

Aurobindo undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances.

www.aurobindo.com

REGISTERED OFFICE
PLOT NO. 2, MAITRI VIHAR
AMEERPET
HYDERABAD - 500 038
TELANGANA, INDIA

CORPORATE OFFICE
WATER MARK BUILDING
PLOT NO. 11, SURVEY NO. 9
KONDAPUR, HITECH CITY
HYDERABAD - 500 084
TELANGANA, INDIA