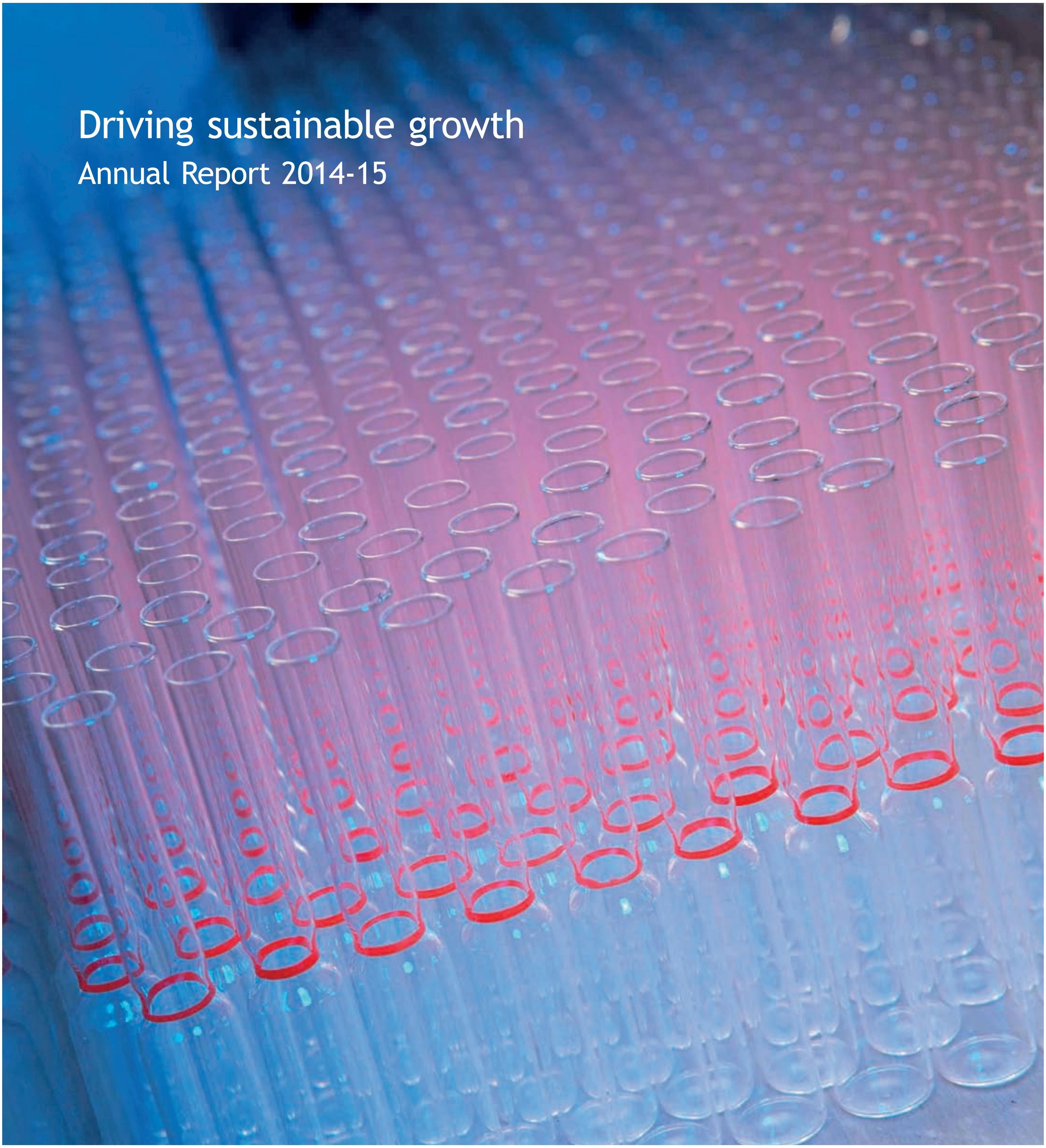

AUROBINDO

AUROBINDO PHARMA LIMITED

PRESENCE WORLDWIDE

Aurobindo strengthened by its manufacturing facilities approved by US FDA, UK MHRA, Japan PMDA, Health Canada, MCC South Africa and ANVISA Brazil for both APIs & formulations and with a global presence with its own infrastructure, strategic alliances with about 55 subsidiaries & joint ventures, features among the top 10 pharma companies from India in terms of consolidated revenues. The Company exports to over 150 countries across the globe with more than 86% of its revenues derived out of international operations. The customers include premium multi-national companies.

FORMULATIONS	ACTIVE INGREDIENTS
77.9%	22.1%

CONSOLIDATED REVENUES

FORMULATIONS SALES

50.5%	33.4%	16.1%
US	EUROPE	EMERGING MARKETS & ARVs

INTERNATIONAL	DOMESTIC
86%	14%

CONSOLIDATED REVENUES

MANUFACTURING FACILITIES
(INCLUDING WHOLLY OWNED SUBSIDIARIES)

INDIA	15
US	3
BRAZIL	1

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WHO WE ARE

USD **2** BILLION
CONSOLIDATED REVENUES

We are a global pharmaceutical company producing oral and injectable generic formulations and active pharmaceutical ingredients with several large manufacturing facilities approved by leading regulatory agencies such as US FDA, UK MHRA, Japan PMDA, Health Canada, MCC South Africa and ANVISA Brazil.

Aurobindo Pharma Limited, headquartered at Hyderabad, India, has a robust product portfolio spread over six major therapeutic/product areas encompassing antibiotics, anti-retrovirals, CVS, CNS, gastroenterologicals, and anti-allergics, supported by an outstanding R&D set-up. Aurobindo has been ranked as #9 generics supplier as per IMS total prescriptions dispensed for the 12 months ending September 2014.

The Company, with 28 years of experience, has products that benefit people worldwide across 150+ countries and has recorded revenues of almost USD 2 billion in 2014-15.

WHAT WE DO

11,500
PROFESSIONALS WORLDWIDE

Aurobindo's strength lies in vertically integrating its active pharmaceutical ingredients (APIs) with finished dosages to yield quality generic formulations based on extensive pharmaceutical research. We couple non-infringing processes and chemistry challenges for drug substances with non-infringing and complex drug products developed by using innovative technologies.

In the process, the vast scientific pool at Aurobindo creates intellectual wealth for the Company and commercializes cost effective, quality generic finished dosages for people across the globe. The competitive advantage of the Company is to launch high-end quality products, in time to meet unmet demands of customers across the world.

Aurobindo employs more than 11,500 professionals across various divisions - Research & Development, manufacturing, quality assurance, marketing, supply chain, commercial and HRD.

WHAT WE STAND FOR

150 COUNTRIES
MARKETING PRESENCE

Aurobindo aims to be a leader in global generics formulations both in oral and injectables, nutraceuticals and over-the-counter products. The Company is building a large portfolio of differentiated and niche products to add value to customers and ensure robust value creation for shareholders.

We will build leadership positions in the businesses we are active in and shall be distinguished for technical excellence, expertise in quality assurance, compliance with regulatory standards, and be recognized for cost competitiveness and customer focus.

The brand value of the Company is its people who shall be well-known for delivering on promises. Our success will be based on the performance of each individual and what we do as a team, from research through manufacturing right up to marketing and deliveries.

The Company aims to achieve USD 3 billion in revenues by 2017-18.

MESSAGE FROM THE VICE CHAIRMAN

Driving sustainable growth

2014-15 was a landmark year for Aurobindo. We executed on our core strategies, delivered financially and accelerated on our way to long-term growth. In fact, we feel reassured that we are driving sustainable growth.

The challenges were plenty and competition was engaging. We made successful inroads into the injectables market and deployed our resources to gain presence in the demanding markets of Western Europe. We acquired the nutraceutical company Natrol in the US, which manufactures and sells nutritional supplements. The acquisition is strategic for us, to gain an entry into the growing nutraceutical segment.

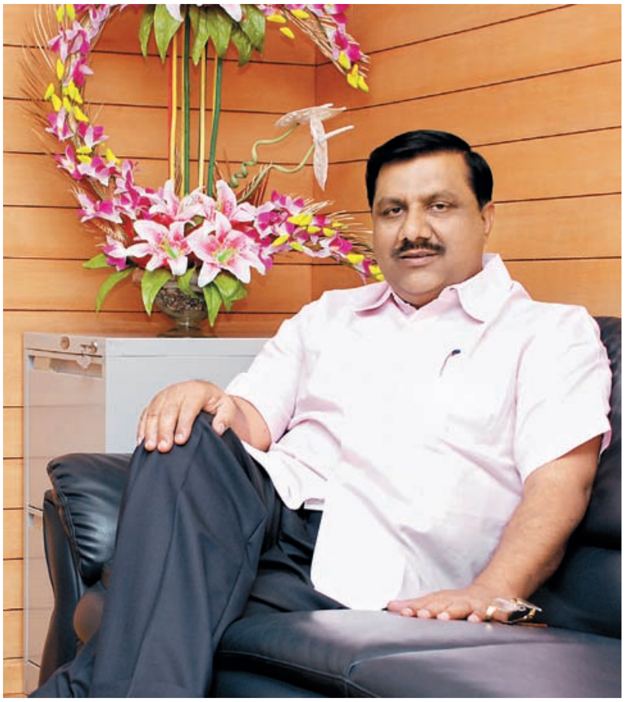
We grossed revenues of almost USD 2 billion. We did larger volumes, set a new high in revenues and closed the year with EPS of ₹54. The dividend for the year has been raised to ₹4.50 per share as compared to ₹3 in the previous year. The Board of Directors has recommended issue of bonus shares in the ratio of one share of ₹1 for every share held. Members' approval is being sought separately for the issue.

I must hasten to thank our employees, who combine as a family, for the passion with which they work together, advance meaningfully the performance capabilities of Aurobindo and deliver value to all the stakeholders. The reliability, dedication and service of our employees translate into quantifiable improvements.

We are proud of our employees. They are indeed aligned with the Company's philosophy of 'Committed to healthier life' and are making it happen by delivering a larger volume of good quality drugs. Together we are performing better, demonstrating our agility and resilience in a competitive environment and, in the face of challenges, driving growth.

There are several examples which exemplify the employee commitment. Every day, at each facility, we are reviewing our quality and assurance standards and are seeking to constantly improve every process, transaction, competitive edge and effectiveness towards our goal of operational excellence. There is increasing process discipline, focus on results and motivation to be better at execution capabilities.

Due primarily to the efforts over several years, we have a strong presence in most of the markets in which we operate thanks to the relationships that we have built in matured and emerging markets alike. Our customers have been encouraging us to do better and we shall continue to reciprocate their trust in us.



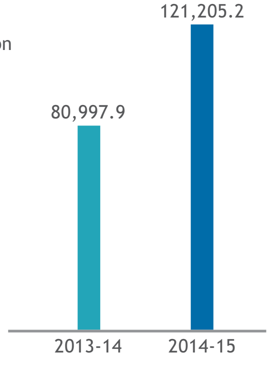
During the year, we successfully launched several products, especially injectables in the US. We stepped up our presence in West European countries with both active pharmaceutical ingredients and generic formulations. We gained momentum in France, Germany, Netherlands, UK, Spain, Italy, Portugal and several RoW markets. At the year end, Europe accounted for 33.4% of our formulations revenues and emerging markets & ARVs totaled 16.1%. US market continued to lead with 50.5% of the formulations business.

Generic formulations business saw a growth of 77.7% across all global markets with US growing by 42% and Europe rising by 375%. Market expansion was through increased penetration of several products. Triple combination drugs are giving traction to our ARV business. I am gratified that our ARV products addressed the treatment needs of 2.2 million patients.

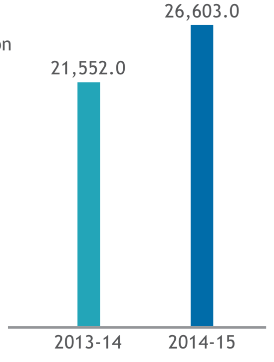
Sales of active ingredients at ₹27,062 million were marginally lower by 5.5% year-on-year, primarily due to the significant demand for our in-house formulations business. There is a growing external demand for our active ingredients which is being met by expanding our Pydibhimavaram facility (Unit XI). Shipments will commence from the new block in latter half of 2015.

In 2014-15, we are proud of the progress we made in our safety and environmental performance. We believe running a safe business is a critical facet of running an excellent business and hence invested in a culture of continuous improvement. We will do whatever it takes to keep our employees and the environment safe and healthy.

REVENUE (Net)
CONSOLIDATED ₹ Million



EBITDA
CONSOLIDATED ₹ Million



Our CSR activities were tailored to provide drinking water, good health, sanitation and education in villages in the neighborhood of our facilities. During the year, we have undertaken social activities such as promoting education, hygiene, preventive health care, eradicating hunger, poverty & malnutrition, making available safe drinking water, environment sustainability, ecological balance & conservation of natural resources, rural sports and setting up of old age homes etc. At the end of the day, we witnessed several smiles and improved in a small way, the quality of life of a few hundred families.

Going ahead, as a priority, we shall deepen the integration of the recent acquisition of over 1,250 dossiers in Western Europe as well as Natrol. Our strategy is to grow the businesses profitably through a combination of cost and growth synergies. Several initiatives have been taken to enhance operational leverage, increase volumes and optimize costs.

We shall be anchored by fundamental execution disciplines to deliver on customer expectations. We are learning, changing, growing, making things happen and committed to make our growth sustainable. Team Aurobindo is working day in, day out to make the Company even more efficient, even more profitable and has set ambitious targets for the coming months and years, including crossing revenues of USD 3 billion in 2017-18.

I am gratified that we have several levers to gain traction with a robust business model: a large differentiated product portfolio that addresses six key therapeutic areas, with growing presence in over 150 countries; a sizeable pipeline of filings for niche products that await regulatory approval; a state-of-the-art vertically integrated manufacturing infrastructure that adds to our competitive edge; strict monitoring of compliance standards and data governance; a first-rate business relationship with our customers and business associates; and a young and vibrant team of managers and employees who showcase accountability and take pride in delivering on promises.

We have the template to do better in the future anchored by our strong balance sheet, healthy cash flow and an exciting revenue stream. We therefore are seeking incremental growth by creating a dash board of key priorities for the year ahead.

We are investing time and effort on each of these priorities to enhance our competitive position and climb the value chain. In the process, we shall ensure that we are synonymous with customer focus, outstanding reliability and expertise. We will minimize our business risks and keep revisiting our assurance standards to upgrade our reliability benchmarks. A track record of consistent, cost-efficient offerings will continue to underpin our competitive edge and strengthen the predictability of earnings. That is how we will deliver maximum value to our stakeholders.

K. Nithyananda Reddy
Vice Chairman

Dash board of key priorities for the year ahead

- add bandwidth to manage growing businesses;
- augment further on our differentiated portfolio;
- quicken the time to commercialize product approvals;
- improve reliability in our deliverables;
- automate and simplify our processes;
- grow revenues faster than cost increases;
- deliver strong and consistent cash flow; and
- re-invest to grow our businesses.

New Initiatives

Aurobindo has calibrated its growth over the years. After creating a few landmarks in active ingredients and generic formulations, the Company is now making a mark in the niche injectables segment with quick to launch initiatives and rising market share. 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.

NUTRACEUTICALS

The Company is exploring opportunities in the nutraceutical market. R&D activities have been initiated to identify and develop synthetic nutraceutical products. During 2013-14, process development work to manufacture a few products has been completed.

The Company completed the acquisition of the assets of nutritional supplement maker Natrol Inc, which was acquired for a consideration of USD 132.5 million. 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.

The US based Natrol is a leading 35 year old nutraceuticals manufacturer with established brands and was acquired with all the manufacturing assets, personnel, commercial infrastructure including the well established brands of Natrol along with an agreement to take on certain liabilities. The due approval was obtained from authorities and the acquisition was completed on December 4, 2014. In the consolidated financial statements, the financials of the acquired entity have been integrated effective that date.

All the products are being manufactured in US and 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 market share.

Nutraceuticals industry itself is moving towards the pharmaceutical industry in terms of the regulatory standards and stringent needs are to be implemented. Aurobindo will strive to take advantage since the Company has the necessary expertise to ensure that regulatory requirements are met.

It is estimated that nutraceuticals business is valued at USD 30-35 billion currently and is expected to reach around 55 billion in 2020. 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.

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 have been commissioned and we have developed technologies for more than ten products.

Validation batches have been completed for three peptides and sample shipments have commenced to customers for their development work. Drug Master Files are being prepared and we propose to seek a few product filings before the end of 2015-16.

The peptides presently being developed include four microsphere and liposomal injectable products for which we are working towards filing these products in 2016-17. The addressable market for the four products is about $3 billion.

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. The revenue streams are planned to commence in 2015-16.

OVER-THE-COUNTER (OTC)

The Company develops, manufactures, markets and distributes store brand Over-the-Counter (OTC) 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, semi solids & nasal sprays (about 52 million units per year); another manufacturing site is at Dayton with facility to make solids including Drug Enforcement Administration (DEA) controlled products (about 3 billion doses per year); and the third facility is set up at Jedcherla, near Hyderabad, with facility 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.

70 liquid products have been developed, exhibit batches have been made for a few solids and some are undergoing stability tests. The Company has also commenced marketing a few products through well-established chain stores in the US.

Aurobindo will work hard to get a strong foothold in this competitive but attractive market.

PENEMS

Aurobindo has developed and made penem filings for four products in injectable portfolio that are administered in the pre-operating process. These are products that would be used as neuromuscular blockers while under anesthesia reversal.

We are selecting difficult to develop penem products and have expanded the capacity for lyophilised penems which is being made ready to take exhibit batches. We are working towards filing one more product within the next 12 months. The addressable market for all five products is USD 400 million in the US. Initially, the products are likely to be launched in Brazil and Mexico in 2015-16.

The Company is also exploring entering Nanospheres (in the penems segment) which have a much larger market, where the products have an addressable market of about USD 3 billion in the US.

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 5 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.

ONCOLOGY & HORMONAL PRODUCTS

The Company is also in the process of developing a wide range of oncology and hormonal products. Our product capabilities would include vials, prefilled syringes and softgel capsules & 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 was set up in October 2013 at Hyderabad to develop anticancer drugs and hormonal products, both for solid and parenteral dosage forms. We have done our first exhibit batches for five hormone products and the dossiers are expected to be filed in 2015-16.

The tablet part of the oncology facility is completed and commissioned and we have started to run our exhibit batches. The injectable part of the oncology facility is planned to be commissioned in the later part of 2015. We are working on 15 oncology products and the plans are to prepare exhibit batches for injectables in the last quarter of 2015-16.

MESSAGE FROM THE MANAGING DIRECTOR

Making things happen

It was a high energy year for Aurobindo. As a team, we worked hard, on our strategies. We achieved what we set out to do. I am glad that the business gained further momentum with volumes on the rise, higher revenues across all geographies and despite challenges, we grew the bottom line.

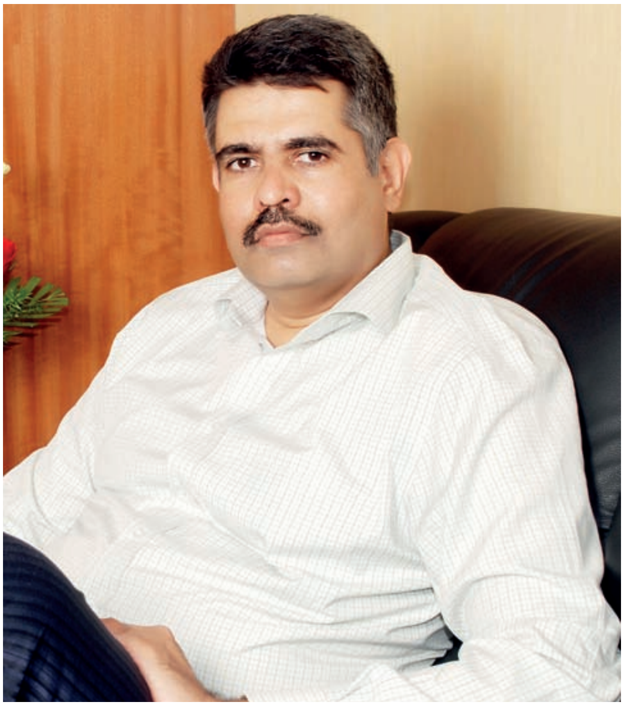
We achieved record revenues, enhanced our efficiencies, met our cost reduction targets, reached higher operating profits and profit after tax. Thus, we demonstrated Aurobindo's underlying strength and ability to execute.

The consolidated revenues at ₹121,205.2 million were higher by 49.6% over the previous year; material cost to revenues was higher at 45.4%; EBIDTA at ₹26,603.0 million was 23.4% higher; profit before tax was increased by 41.4% to ₹21,678.5 million; profit after tax was higher by 34.4% at ₹15,757.7 million; and, the diluted EPS climbed to ₹54.00 from ₹40.22 in the previous year. Cash flow generated from operations was ₹12,368.1 million compared to ₹6,462.8 million in the previous year.

Every indicator demonstrates that we delivered financially. Equally, we made the long-term investments necessary to transform the Company to the next level, globally.

All our major initiatives are working to plan:

- Volumes of high-end injectables are growing with rising market share;
- Acquisition of new products from Actavis is adding to the competitive strength of Aurobindo in the West European markets;
- Natrol acquisition is fast tracking our progress in to the nutraceuticals markets;
- Existing product pipeline is robust with niche and differentiated products;
- Research is increasingly being done on more difficult to develop, complex products;
- OTC products were commercialized from our US facility;
- The portfolio of oncology and hormonal products are at an advanced stage with potential to launch in 2017-18;
- Considerable progress is being made on the development work on vaccines & inhalers, penems and peptides; and,
- The Company's products are now made available in over 150 countries.



Our acquisition of Natrol Inc during the year transformed our ability to increase our presence in the nutraceuticals business and strengthened our position as a differentiated player.

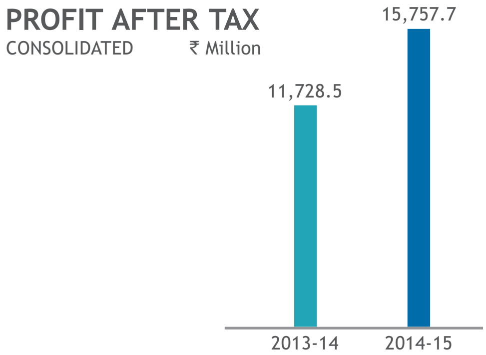
In each of the growth initiatives, we are reviewing and enlarging the management bandwidth to improve the level of supervision. Furthermore, there is a relentless oversight to continuously keep improving on our compliance standards, data governance and product integrity. Ensuring operational safety, securing the health of employees and protecting the environment is another uncompromising area for the team at all facilities.

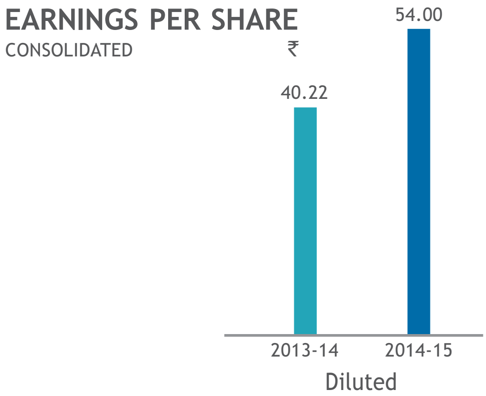
All of these give great confidence that we are creating an exciting future for Aurobindo.

There are many metrics that can be used to establish our success. We measure our past by our ability to do more in the future. We constantly validate whether we are equipped to create a robust organization that possesses the expertise to continue driving more growth.

There are several dynamics on which progress is being made. Growth at this rate, with an eye on the future, needs a review of all our processes. A key area of work that we have been addressing is our operational excellence in meeting customer expectations in terms of delivery times and performance standards.

Actively, we are minimizing the uncertainties in our internals especially in ensuring raw material availability by having multiple sources, building a pipeline to provide an optimum inventory, expanding





manufacturing capacity, producing higher volumes of products in demand, doing away with supply chain constraints, and improving our ability to deliver to our customers.

We are proactively examining, wherever necessary with the help of internationally reputed consultants, to help reduce the supply chain constraints and for better planning of raw material procurement, improve machine capacity scheduling, build certainty in finished product dispatches and therefore lower the business process risks. We want to build a robust, cost effective and efficient operating model.

Cost is our core operating strength. Leveraging our expertise in vertically integrated manufacturing, we have improved consistently and are striving to be the lowest cost producer. Higher yields, better productivity and effective product life cycle management help us to keep our costs stable.

The review efforts underway are designed to streamline the operations, enhance the market projections and forecasting systems, upgrade vendor reliability, drive cost and productivity improvements as well as maximize our volumes, enrich the product mix, strengthen the market presence, add to the revenue stream and boost profitability.

We are reducing the variables in the volumes that the market seeks. The market is seeking more volumes than we have ever done and all our efforts are driven to ensure that we meet the demand whether it is in active ingredients or in the formulations supplies to the US, Europe or emerging markets or in the ARV segment.

In order to achieve our plans, we are taking three fold actions. Firstly, we are stepping up our capacity utilization at every one of our facilities. In 2015-16, we shall be raising both the API and formulation production volumes and hence are aligning the supply chain right from vendor sourcing & supplies right up to shipments to the market.

Secondly, within four of our existing facilities, we are adding newer blocks. In the process, both API and formulation capacity will get ramped up.

Lastly, we have also initiated three green field projects to add to our formulations capacity at Jedcherla (near Hyderabad), Vizag and Nayudupeta (near Nellore). These will multiply our ability to deliver what the market wants.

All expansions and new projects will partly go live in 2015-16 and the balance in 2016-17. We have an attractive product portfolio which includes 193 approvals (including 27 tentative) and another 183 submitted in 2014 & 2015 are awaiting review. The capacity building efforts are to provide further opportunities for the existing products, cater to a growing product portfolio, as well as to service the Western European markets. Members will recall that we had received over 1,250 dossiers from Actavis, most of which may be serviced progressively by manufacturing in India. The objective is to optimize on costs while enlarging volume and value.

We are inspired by our achievements so far, confident in our capabilities, aware of the challenges ahead of us and optimistic of the future. Looking ahead, a key focus will be to set and implement the direction for the next phase of growth and improve our returns. We are conscious where our growth opportunities are and where our efforts and investments need be made.

We have the heat map and are making rigorous navigational checks to ensure that our relentless execution will deliver superior results. These will be evidenced in our growing revenues, on our cost effectiveness and increasing cash flow. On behalf of our team, I can assure you, we will deliver more for every stakeholder.

N. Govindarajan
Managing Director

ENVIRONMENT, HEALTH & SAFETY

Enhancing the sustainability standards

At Aurobindo we evaluate the impact on the environment in advance on a product's life cycle. Efforts are made to reduce the negative impact from the R&D stage to the manufacture of the product, until the disposal of the residual waste.

ENVIRONMENT

As a pharmaceutical company that handles several chemical substances, risk assessment is reviewed prior to introduction of every product. A holistic approach is taken in all aspects of environment, health and safety with necessary caution, safeguards and training put in place, prior to product manufacture. Aurobindo works diligently to work within the laid down norms, as well as take adequate safety measures in the operations for every product and facility.

There is another area in which we demonstrate our environmental stewardship. We want to be a low waste company, which we believe is the best possible way to conserve resources and contribute towards operational excellence. We value natural resources, optimize use of materials, recycle where appropriate and ensure waste generation is minimal.

Aurobindo employees demonstrated competency and commitment during the year. In fact, the environment management operations across all manufacturing locations and R&D establishments are much more stabilized than in the earlier years.

From regulatory perspective, approvals have been obtained well on time for all green field projects. State and central level approvals have been obtained for one of the acquired API Units. Process for central level environmental clearance for one of the expansion projects of an API unit is completed and awaiting consideration of expert technical committee concerned.

During the year, fresh investments continued to be made for up-gradation of existing environmental infrastructure and development of new projects in line with planned manufacturing activities. Establishment of sewerage treatment plants at API units is completed for one unit and the project is nearing completion in one more unit. With a view to reduce wastewater disposal to common effluent treatment plants (CETP) and reuse treated wastewater, installation of reverse osmosis (RO) plant has been taken up in one of the formulations units.

One major achievement in the year is reduction of disposal costs of organic solid wastes by 50% made possible by increased awareness, discipline and efforts in environmental management practices at the manufacturing locations.

A key focus area of environmental management in 2015-16 will be development of greenery. In our endeavor to contribute to the programs initiated by the state governments, we have planned to take up plantation and green cover development in and around our manufacturing locations.

Further investments are being made in 2015-16. New environmental projects in the areas of wastewater treatment, solid waste management, air pollution control equipment and monitoring systems have been planned in line with the Company's projected manufacturing activities and capacities.

Capacity building is another focus area. Skilled and trained human resources are proposed to be added to meet the environmental management requirements in line with growth projections of the manufacturing facilities and to further strengthen the operations.

SAFETY

Safety is non-negotiable for us. The 'zero incident' target that we have set for ourselves drives our work ethics and actions. We have always put a premium on safety excellence and employees reinforce their routines making no compromises and with no deviations on cGMP standards.

We are fostering a safety environment which is more interdependent and self-sustaining, an organization where ensuring safety is the responsibility of line managers. All leaders in the Company's facilities conduct safety interactions to recognize and reinforce positive behavior.

All employees have been trained and made aware of the need to be mutually supporting and be a responsible agent of self and colleagues. They have been trained to be safety champions and take ownership of production blocks where they identify possible non-conforming work ethics, counsel the user, train the team, even do minor repairs as required and also conduct regular audits. Specifically, a lot of awareness has been created for reporting unsafe acts and conditions in a bid to prevent untoward incidents.

We have established work safety programs which take into account regulatory requirements and site specific challenges. There is a systematic approach to investigating each element of a process to identify all the ways in which parameters can deviate from the intended design conditions and create hazards or operability problems.

At Aurobindo, we believe the main goal in occupational safety is to keep the hazardous materials from entering the air at the workplace. The objective is to avoid the emissions of these materials into the environment. For instance, after taking up a new product, before commencement of any activity, the required safety

relevant control and operating instructions are written and the employees are trained on the contents of the documents.

With a view to prevent accidents, all facility modifications and new facility layouts are routed through the EHS departmental managers so that all facilities remain compliant to the latest EHS standards. Powder safety testing is initiated, and all new products are tested for safety parameters before actual execution in large scale.

In addition, we review the effectiveness of our occupational safety measures by internal surprise audits. Technical and organizational corrective measures are developed from all deviations from laid down standards and documented.

We have prepared and implemented a set of guidelines for EHS risk assessment. These set of instructions provide methodologies to be followed to perform risk assessment of all activities, rank and prioritize them, identify and define risk controls, and help ensure that the controls are working effectively to ensure risk remains within acceptable limits.

We intensified the training programs to increase employee awareness and knowledge. Safety videos are being used extensively to make an impact. A separate EHS training matrix is prepared for training contract workmen based on the work activities they perform. Training was provided by subject matter experts on specific topics such as nitrogen blanketing, usage of plastics and organic vapor concentrations to all employees of the API manufacturing facilities. Contract worker training program which was initiated last year was extended to formulation units.

HAZOP studies are progressing well and were conducted on 71 processes. The implementation of HAZOP recommendations are being steered by the site safety committees. Hardware improvements like nitrogen blanket for flammable solvents handling and interlock systems for hazardous energy grounding, are initiated to improve inherent safety. Chemical exposure risk assessment is initiated to determine hazardous effects of chemical exposure. This risk assessment has been completed for 129 materials.

Over the years, we have consciously made an effort to build on our environment & safety standards and as a learning organization are reviewing and enhancing the way we do our work practices.

R&D

Augmenting R&D strengths

R&D is no simple business. The processes involved are inherently complex since all functions are required to synchronize to achieve operational excellence, realize maximum output and accomplish productivity within the shortest possible time.

The challenges are heightened since the Company is working towards creating niche and difficult to make, complex products. Yet, the team at Aurobindo has been succeeding in its efforts to augment intellectual property.

At Aurobindo, a nimble and highly experienced pool of R&D professionals is working towards adding value for the Company and commercializing cost effective, quality API and generic finished dosages for the global markets. Over the years, continuous initiatives have resulted in a steady flow of new products, a well balanced pipeline of assets, thus strengthening the competitive portfolio position.

Aurobindo's forte is in making the right decision in selecting molecules and products for development, at the right time. Todate, the regulatory filings of Aurobindo are one of the highest in the pharmaceutical industry amongst the generic formulations manufacturers, across the globe.

As at March 31, 2015 the Company has filed 192 DMFs and 376 ANDAs with the US FDA. The ANDA approvals total 193 (including 27 tentative approvals) as on that date. The balance 183 ANDAs were under review, most of which we believe can be expected to be approved, partly in 2015-16 and the balance in 2016-17.

During the year, as in the past, the Company devoted the necessary resources to R&D to ensure continuous momentum and growth. The intensity was in filing for a differentiated portfolio focused on complex products with high barriers to entry. The investments in R&D, our engine of growth, augmented the business with promising product lines, and created revenue opportunities as well as optimized costs.

Some of the initiatives taken during the year under review which are impacting the API business favorably are as follows:

- As part of cost reduction exercise, 15 API molecules/intermediates were taken up to modify/optimize the manufacturing technology to bring down the raw materials cost;

- Continuous process has been developed for one of the existing APIs to improve the productivity. This process is being scaled-up;
- 7 US DMFs, 9 Japan DMFs and 8 CEPs were filed during 2014-15. Additionally, 89 multiple registration filings were made in Europe during the year;
- 54 more DMFs were filed in different countries, which include Australia, Canada, China, Korea, New Zealand, Switzerland and emerging markets.

In order to raise the level of compliance standards and control impurities at a low level, additional LCMS and GCMS equipment were added to the analytical capabilities of the API research center. Further, the Company made additional investments on the safety aspects of chemical technology. A dedicated set-up was made ready for process intensification and process hazards evaluation with equipment such as reaction calorimeter, thermal screening unit and multimax reactor.

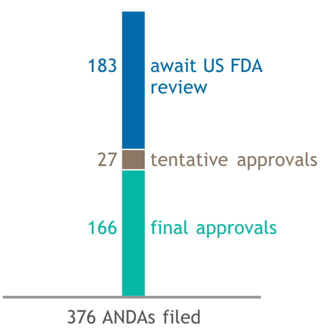
New product development continued as before in the formulations research center. The aim was to prioritize a few 'difficult to do' and niche products, primarily in the steriles portfolio. Such products are highly development intensive, but are rewarding from a business perspective. Cost optimization continued to be a focus area with alternate APIs, excipients and packs being 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 was the start of development work on as many as 20 products in the oncology and hormone segments, both in injectable and solid dosage forms for which the filings are expected to start soon.

The exceptional work being done by the R&D teams will increasingly be visible 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 the Company.

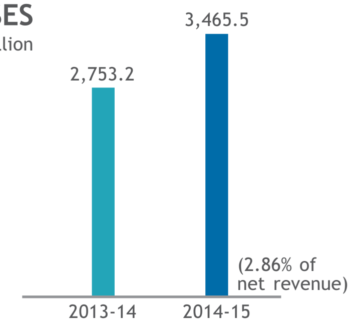
ANDA STATUS

As at March 31, 2015



R&D EXPENSES

Consolidated ₹ Million



QUALITY

Aiming to be the best-in-class

We are aiming to be the best-in-class in all we do. As a pharmaceutical company, we are sensitive that our products make an impact on people's lives as they treat ailments and help people feel better. All the more reason, we dedicate ourselves everyday to minimize the risk attached to the processes, products and services and increase our assurance standards.

In an industry that demands hundred per cent adherence and zero deficiencies, quality has been fully integrated in to our employee work ethics and corporate culture. Our commitment to compliance standards and quality, operating excellence and customer focus reaffirms our accountability to customers and patients.

At Aurobindo, there is a considerable premium attached to design, systems and culture which ensures superior data governance. Quality assurance is achieved through process creation, enforcement, review, re-engineering and capability building.

As part of the system, the senior management takes responsibility for ensuring the quality, safety, and integrity of the Company's products and hence is fully involved in implementing adequate controls towards data governance, assuring process compliance and timely investigation and resolution of deficiencies. We constantly strive to upgrade our robust quality system and review process to enhance our own benchmark.

As a learning organization, continuous compliance initiatives are taken aimed at enhancing the overall quality and compliance levels at all facilities. Some of the actions taken during the year include:

- Sampling plan harmonization across all sites for raw materials and excipients;
- Harmonization of procedures such as handling of chromatography (High Performance Liquid Chromatography (HPLC), Gas Chromatography (GC) and Ion Chromatography) analysis, across all sites;
- Implementing common procedures for management of validation/qualification documents in Data Management System;
- Adoption of Quality Management System '7 Pillar' model. This model provides for uniform understanding of QMS elements across the organization, defines responsibilities of various stakeholders to overall quality, and drives continuous improvement program through key performance indicators (KPIs); and
- Initiation of policies and common procedures on data governance across all facilities.

Aurobindo has put in place a comprehensive quality assurance system that meets regulatory assurance standards. We have built enough control provisions in our processes, to minimize deviations from laid down norms. As part of the quality management system, we adopted change control, deviation, audit, customer complaints, out of specification, out of trend, return goods and CAPA management. In addition, we have incorporated document management to control SOPs, formats, BPCRs etc.

We ensure processes and products conform to mandatory specifications right from raw materials and drug substances to the finished products and packaging requirements. We have strict control over ingredients, manufacturing processes, packaging materials, labels, equipment and we conduct tests at several stages in the production process to assure ourselves that we adhere to regulatory standards and customer needs.

Care is taken to adhere to record complete and accurate information such as collection, verification and documentation of data comprising of product profile and validation of batches. At Aurobindo, there is considerable emphasis on integrity of data governance.

In order to ensure that the documentation is on-line and to improve the accountability and monitoring process, we have automated the quality control systems across all formulation units and at global pharmaco vigilance.

Similarly, the laboratory compliance initiatives ensure that data generated in the laboratories identify and reassure compliance standards to maintain a continuous improvement of laboratory processes and practices.

Further, we ensure harmonization of quality processes and systems across all facilities. Quality improvement, centralization of data, collaboration, process automation, data governance and all related systems are integrated in to the companywide ERP. This has added to the robustness of quality management across the organization.

As part of the supervisory role, the senior management continuously examines the risks that could affect the quality assurance processes in the manufacturing practices and employee work ethics in all areas with special focus on pharmaceutical regulations, quality standards, efficacy levels and safety issues. Immediate interventions are made to ensure laid down norms are met. They keep testing the effectiveness of our risk-based quality management system.

Employee mindset is being refined to ensure consistency in manufacturing and indeed in all related functions. All the employees involved in the work flow and their supervisors have been trained in workshops on subjects such as '7 pillar quality management system model' to understand and define responsibilities for overall quality; on data integrity to raise the awareness level for ensuring compliance standards; on cross contamination control as preventive attempts to enhance the quality standards. Several such training programs are followed up with on-site supervision.

The sensitivity starts at the beginning. In order to bring 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 good manufacturing practices (GMP), 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.

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.

PEOPLE

Ready for the future

We recognize that we are a growing organization and hence have taken more care in the way we hire, retain and develop people. Over the years, we have built a reservoir of expertise and experience that has brought the Company to the present size in so short a time. We have reached revenues of almost USD 2 billion, have a huge basket of products for the developed markets of US and Europe and are geographically present in over 150 countries.

All our people policies and developmental plans are geared towards our future business focus. Our aim is to advance the competencies and abilities of our workforce so that they can execute our corporate strategies more effectively, while their own potential is unleashed. In turn, we offer our in-house talent, attractive career opportunities as well as personal and professional growth. It is all about merit, competencies and deliveries on planned results.

During the year under review, the learning and development function focused on three key business goals, namely:

- Safety - safe habits, safe practices;
- Quality compliance; and
- Development of people for growth needs.

Committed to healthier life, Aurobindo's vision saw its senior management and quality team take leading steps towards 'safeguarding patient first' message to reach all our employees. In addition, a series of investments were made in learning and development on reinforcing the Company's safe working conditions, appropriate, transparent documentation practices and robust processes to create and inspire leaders.

The Company undertook focused efforts on capability building of employees at all levels in order to put together organizational competency in functional and project management areas. Our focus is on developing the potential of all our employees, maximizing their productivity and in creating an enabling work culture that empowers them to deliver high performance. Several training methods were used, such as class room learning, group discussions, and on-site real life hands-on simulations to raise the level of awareness and preparedness. Techno behavior program is encouraging positive work place behavior of employees.

Learning and development processes in the Company were aligned to business needs with four measures of success drawn up as part of the training model for operations teams. The four levels essentially address:

- pass all assigned regulatory audits creating favorable business impact;
- increase in knowledge or capability; help ease processes across functional departments to enhance implementation;
- improve people behaviour and capability for implementation/application to manage themselves and their teams well; and
- impact on the business or environment from the trainee's performance.

The evaluation process ensures that the accountability levels remain elevated for both the trainers and trainees. Training therefore is a purposeful exercise to make an impact on the corporate performance.

In order to cater to our future talent requirement in terms of functional and business leadership roles, we have commenced recruiting fresh minds from campuses of repute in the form of graduate engineer trainees and management trainees. We have identified campuses such as IIT, institutes of technology, universities of repute such as BITS & Manipal, to name a few.

The trainees after a rigorous induction-cum-on-the-job training for imparting skills and inputs are to be subsequently assigned to production units/functional heads for working on various improvement projects/ critical business processes. By adopting this route of 'Grow your own timber' for talent pool creation, we at Aurobindo expect to build a sustainable leadership pipeline for the rapid growth envisaged for the next 3-5 year time frame.

As referred to in the previous year's report, our in-house Aurobindo Training and Development Centre (ATDC) recruits, trains and helps absorb talented employees. During the year, we have recruited through this route 221 post graduate employees (50 B.Pharm, 80 M.Pharm and 91 M.Sc) and 131 other trainee recruits. Another 90 are presently undergoing training at ATDC. During training, they are prepared both on theoretical and practical aspects to meet the requirements of quality control, quality assurance, regulatory affairs, analytical techniques, stability/quality compliance, safety compliance and good documentation practices.

Apart from imparting technical knowledge, ATDC plays a critical role in holistic learning which includes internalizing the corporate culture, work ethics and behavior attributes towards effective leadership development and progression and making a difference to the organization.

Departmental leaders, across the Company, diligently share their expertise and enrich the trainees. We are able to transfer their learning from their real life situation and produce the right talent for appropriate positions. The placement is purely based on performance, evaluated through frequent assessment.

Active employee engagement is as never before. There is a commitment among the employees to adopt global best practices and be part of a large winning team.

CSR

Responsive to society

Aurobindo is committed to doing business in an ethical manner. For us ethics transcends our company boundaries to our neighborhood where we have established effective community partnerships. We have a sense of belonging with the communities where our manufacturing facilities are situated and have a long history of active participation in their welfare.

We are a good neighbor. Social commitment is anchored in our business philosophy and is reflected in our everyday actions. We make a positive contribution to community development and are engaged in social activities such as promoting education, hygiene, preventive healthcare, eradicating hunger, poverty & malnutrition, making available safe drinking water, environment sustainability, ecological balance & conservation of natural resources, rural sports and setting up of old age homes etc. Actually, we create assets in their priority areas with our CSR initiatives to meet their daily needs.

Improving educational opportunities and employability has been another initiative that integrates the communities and aligns with our business operations.

As part of the agreed CSR philosophy, the Company undertook the following activities in the vicinity of its establishments:

- Distributed note books and school bags;
- Sponsored towards purchase of computers and uniforms for hearing impaired children;
- Organized medical camps;
- Provided disaster relief of food and blankets to 7,000 cyclone affected families. The relief packets distributed included 10 Kgs rice, 1 kg dal, 1 kg oil packet & 1 Kg wheat ravva covering 20 villages between October 14 to October 18, 2014. The families had been affected by cyclone 'Hudhud';

- Distributed 5,000 blankets between December 4, 2014 and December 6, 2014 to 10 villages affected by cyclone 'Hudhud';
- Reimbursed the cost of power supply for borewells, as part of the drinking water project;
- Supplied submersible motor pumps to power RO water units and submersible pumps;
- Installed RO plants to supply safe drinking water. These are phase-1 of the water purification project and installation of two RO water plants at Siddipet town on December 1, 2014;
- Renovated class rooms and toilets for zilla parishad schools;
- Paid salaries of teachers in 25 schools;
- Promoted rural sports of school children;
- Donated for setting up geriatric eye care center as part of the L.V.Prasad Eye Institute, Visakhapatnam [GMR Campus] for development of Aurobindo Centre for Geriatric Eye Care (AGE), towards eye care treatment for the under privileged people, covering all districts of Northern Andhra Pradesh and neighboring State of Odisha;
- Contributed for environmental sustainability, water management and ecological balance;
- Laid cement topped roads as part of rural development;
- Constructed fire stations and purchased fire tenders;
- Built compound walls, leveled and got sites ready for junior colleges.

These are but instances of completed projects. There are several projects which are work-in-progress. These include:

- Construction of a government degree college at Patancheru, Telangana, being sponsored by Aurobindo;
- Setting up an automated centralized kitchen & two food distribution vehicles for feeding the under privileged people through (Hare Krishna Movement) under the 'Bhojanamrita' program;
- 3rd phase of providing purified drinking water (RO) plants to 35,000 households;
- Laying of cement road from Pydibhimavaram Village to Saragadapeta Village;
- Construction of toilets in government schools & colleges at four different locations;
- Construction of cement road from Narsapur Road to Borapatla Village; and
- Providing purified drinking water (RO) plants in villages near Jedcherla.

At Aurobindo, our endeavor is to add value to the people and CSR is perceived as an opportunity to be responsive to the society's needs.

Board of Directors

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.

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.

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.

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 42 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.

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 25 years of valuable experience in the pharmaceutical industry. He looks after formulations manufacturing of the Company.

Chief Financial Officer

Mr. Sudhir B. Singhi
(upto June 30, 2014)

Mr. Santhanam Subramanian
(from July 1, 2014)

AVP (Legal) & Company Secretary

Mr. A. Mohan Rami Reddy

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

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.

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.

Mr. M. Sitarama Murthy (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.

Mr. P. Sarath Chandra Reddy (born 1985)

Non-Executive Director, he is a graduate in Business Administration. He is a second generation entrepreneur and has established his business acumen after he took over the management of Trident Life Sciences Limited (since merged with the Company), as Managing Director in 2005. Presently, he is the Whole-time Director of Axis Clinicals Limited. He has gained experience in general management and expertise in project executions.

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.

Bankers

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

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

Certifications

API UNITS

Unit I
CVS
CNS
Anti-allergics
Cephalosporins
(non-sterile)

- US FDA
- MHRA (U.K.)
- PMDA (Japan)
- ANVISA (Brazil)
- TGA (Australia)
- KFDA (Korea)
- COFEPRIS (Mexico)
- WHO

Unit V
Penicillins

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

Unit VIII
ARVs
CVSs
CNs

- US FDA
- MHRA (U.K.)
- PMDA (Japan)
- ANVISA (Brazil)
- TGA (Australia)
- KFDA (Korea)
- COFEPRIS (Mexico)
- WHO

Unit IX
Intermediates

- US FDA

Unit XI
ARVs
CVS
CNS

- US FDA
- MHRA (U.K.)
- PMDA (Japan)
- ANVISA (Brazil)
- TGA (Australia)
- KFDA (Korea)
- COFEPRIS (Mexico)
- WHO

FORMULATIONS UNITS

Unit III
Multipurpose
Non-Betalactam

- US FDA
- MHRA (U.K.)
- INFARMED
- TGA (Australia)
- Health Canada
- ANVISA (Brazil)
- MCC (SA)

Unit IV
Injectable (general category), Inhalation and Ophthalmic

- US FDA
- ANVISA (Brazil)
- INFARMED
- GCC

Unit VI B
Cephalosporins (Sterile & non-sterile)

- US FDA
- FIMEA (Finland)
- TGA (Australia)
- ANVISA (Brazil)
- Health Canada
- MCC (SA)

Unit VII
Multipurpose
Non-Betalactam

- US FDA
- INFARMED
- TGA (Australia)
- Health Canada
- ANVISA (Brazil)
- MCC (SA)
- KFDA

Unit XII
Semi-synthetic penicillins (Sterile & non-sterile)

- US FDA
- MHRA (U.K.)
- TGA (Australia)
- Health Canada
- ANVISA (Brazil)
- MCC (SA)
- FIMEA (Finland)

Bioequivalence centre
(inspected)

- US FDA
- MHRA (U.K.)
- AFSSAPS (France)
- MCC (SA)

Regulatory Filings

as at March 31, 2015

		FILED	APPROVED
Generics	USA	376	193
NDA/ANDAs	Europe	163	124
	South Africa	157	77
	TOTAL	**696**	**394**
Active Ingredients	USA	192	
DRUG MASTER FILINGS	Europe		
	New Registrations	108	
	Multiple Registrations	1,493	
	Others	681	
	Certificate of Suitability	114	
	TOTAL	**2,588**	
Patents		**594**	**87**

Notice of Annual General Meeting

Aurobindo Pharma Limited
CIN - L24239TG1986PLC015190

Registered Office:
Plot No.2, Maitrivihar, 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 Eighth Annual General Meeting of the Members of Aurobindo Pharma Limited will be held on **Thursday, the 27th day of August, 2015 at 3.00 p.m. at Taj Deccan, Road No.1, Banjara Hills, Hyderabad - 500034** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Balance Sheet as at March 31, 2015, Statement of Profit and Loss for the financial year ended on March 31, 2015, Cash Flow Statement for the financial year ended March 31, 2015 and reports of Directors and Auditors thereon.

2. To receive, consider and adopt the Audited Consolidated Balance Sheet as at March 31, 2015, Statement of Profit and Loss for the financial year ended on March 31, 2015, Cash Flow Statement for the financial year ended March 31, 2015 and report of Auditors thereon.

3. To confirm the first interim dividend of ₹1.50, second interim dividend of ₹2.00 and third interim dividend of ₹1.00, in aggregate ₹4.50 per equity share of ₹1 each, as dividend for the year 2014-15.

4. To appoint a Director in place of Mr. P. Sarath Chandra Reddy (DIN: 01628013) who retires by rotation at this Annual General Meeting and being eligible, seeks re-appointment.

5. To appoint a Director in place of Dr. M. Sivakumaran (DIN: 01284320) who retires by rotation at this Annual General Meeting and being eligible, seeks re-appointment.

6. 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

7. To appoint Dr. (Mrs.) Avnit Bimal Singh (DIN: 01316166) as an Independent 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 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. (Mrs.) Avnit Bimal Singh (DIN: 01316166), who was appointed as an Additional Director of the Company by the Board of Directors with effect from March 25, 2015, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) years up to March 24, 2020, not liable to retire by rotation."

8. To re-appoint Mr. N. Govindarajan (DIN: 00050482) as 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, Mr. N. Govindarajan (DIN: 00050482) be and is hereby re-appointed as Managing Director of the Company for a period of three years with effect from June 1, 2015, whose term of office shall not 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. N. Govindarajan, 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	₹1,062,740 per month.
b.	House rent allowance	₹708,493 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.	Other allowances	₹1,245,200 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 ₹4 crore for each financial year, as may be decided by the Board of Directors of the Company."

9. To re-appoint Mr. K. Nithyananda Reddy (DIN: 01284195) as Whole-time Director designated as Vice Chairman 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. K. Nithyananda Reddy (DIN: 01284195) be and is hereby re-appointed as Whole-time Director of the Company designated as Vice Chairman for a period of three years with effect from June 1, 2015, 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. K. Nithyananda 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	₹650,000 per month.
b.	House rent allowance	₹433,333 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.	

10. To re-appoint Dr. M. Sivakumaran (DIN: 01284320) 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 a Special 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 Dr. M. Sivakumaran (DIN: 01284320) be and is hereby re-appointed as Whole-time Director of the Company for a period of three years with effect from June 1, 2015, 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 Dr. M. Sivakumaran, 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	₹650,000 per month.
b.	House rent allowance	₹433,333 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.	

11. To re-appoint Mr. M. Madan Mohan Reddy (DIN: 01284266) 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. M. Madan Mohan Reddy (DIN: 01284266) be and is hereby re-appointed as Whole-time Director of the Company for a period of three years with effect from June 1, 2015, 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. 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(s) or re-enactment thereof."

a.	Salary	₹650,000 per month.
b.	House rent allowance	₹433,333 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

Hyderabad
May 28, 2015

A. Mohan Rami Reddy
AVP (Legal) & Company Secretary

Notes

1. **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.**

2. A Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.

3. Relevant documents referred to in the accompanying Notice and the statement are 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.

4. The Register of Members and Share Transfer Books of the Company will remain closed from August 25, 2015 to August 27, 2015 (both days inclusive).

5. The Board of Directors of the Company has declared first interim dividend @ 150% i.e. ₹1.50 per share of ₹1 each, second interim dividend @ 200% i.e. ₹2.00 per share of ₹1 each and third interim dividend @ 100% i.e. ₹1 per share of ₹1 each for the year 2014-15. The Board of Directors of the Company did not recommend any further dividend for the year 2014-15.

6. The unpaid/unclaimed dividend for the year 2006-07 was 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 Company's website (www.aurobindo.com) and also on the website of Ministry of Corporate Affairs. The unpaid/unclaimed dividend for the year 2007-08 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 respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing Service (ECS). 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 2014-15 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 2014-15 are being sent by the permitted mode. Members who have not registered their E-mail addresses so far are encouraged 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 Listing Agreement with the stock exchanges, 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 21, 2015, 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. The Remote E-voting period commences on **Monday, August 24, 2015 at 10:00 a.m. and ends on Wednesday, August 26, 2015 at 5:00 p.m.** Details of the process and manner of Remote 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 28th Annual General Meeting and the Annual Report for the year 2014-15 will be available on the Company's website www.aurobindo.com. 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 investorgrievances@aurobindo.com.

12. Brief resume of Directors of those proposed to be appointed/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 Clause 49 of the Listing Agreement with the stock exchanges, are provided in the Corporate Governance Report 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

Dr. (Mrs.) Avnit Bimal Singh was appointed as an Additional director (Non-Executive, Independent) of the Company with effect from March 25, 2015. In terms of Section 161(1) of the Companies Act, 2013, Dr. (Mrs.) Avnit Bimal Singh holds office up to the date of the ensuing Annual General Meeting.

In terms of Sections 149, 152 and the Rules made there under read with Schedule IV of the Companies Act, 2013, the Board of Directors has reviewed the declaration made by Dr. (Mrs.) Avnit Bimal Singh that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Board is of the opinion that she fulfills the conditions specified in the Companies Act, 2013 and the rules made there under and is independent of the management. Accordingly, as per the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the stock exchanges, it is proposed to appoint Dr. (Mrs) Avnit Bimal Singh as an Independent Director of the Company.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a Member along with a deposit of ₹100,000 proposing the candidature of Dr. (Mrs.) Avnit Bimal Singh to the office of Independent Director.

The Resolution seeks the approval of Members for appointment of Dr. (Mrs.) Avnit Bimal Singh as an Independent Director of the Company for a period of 5 (five) years up to March 24, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made there under. She is not liable to retire by rotation.

A brief profile of Dr. (Mrs.) Avnit Bimal Singh and name of the companies in which she holds directorships and memberships/ chairmanships of Board/Committees, as stipulated under Clause 49 of Listing Agreement with the stock exchanges in India, are provided in Report on Corporate Governance forming part of the Annual Report.

No Director, Key Managerial Personnel or their relatives, except Dr. (Mrs.) Avnit Bimal Singh, 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

Mr. N. Govindarajan was appointed as Managing Director of the Company with effect from June 1, 2012 for a period of 3 years which was approved at the 25th Annual General Meeting of the Company held on August 7, 2012. The Board, considering the significant contribution made by him to the growth and development of the Company and based on the recommendation of the Nomination and Remuneration/Compensation Committee, re-appointed Mr. N. Govindarajan as Managing Director of the Company with effect from June 1, 2015 for a period of three years, subject to the approval of Members at the general meeting.

The terms of reappointment of Mr. N. Govindarajan and remuneration payable to him are as set out in Item 8 of the Notice. Presently, he is drawing remuneration of ₹158.60 lakhs per annum, allowances of ₹12.45 lakhs per annum and other perquisites and also being paid a commission 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 ₹4.00 crore for each financial year.

A brief profile of Mr. N. Govindarajan and name of the companies in which he holds directorships and memberships/chairmanships of Board/Committees, as stipulated under Clause 49 of Listing Agreement with the stock exchanges in India, are provided in Report on Corporate Governance forming part of the Annual Report.

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 8 for approval of the Members.

Item 9

Mr. K. Nithyananda Reddy was appointed as Whole-time Director designated as Vice Chairman of the Company with effect from June 1, 2012 for a period of 3 years which was approved at the 25th Annual General Meeting of the Company held on August 7, 2012. Mr. K. Nithyananda Reddy is one of the promoters of the Company. The Board, considering the significant contribution made by him to the growth and development of the Company and based on the recommendation of the Nomination and Remuneration/Compensation Committee, re-appointed Mr. K. Nithyananda Reddy as Whole-time Director designated as Vice Chairman of the Company with effect from June 1, 2015 for a period of three years, subject to the approval of Members at the general meeting.

The terms of reappointment of Mr. K. Nithyananda Reddy and remuneration payable to him are as set out in Item 9 of the Notice. Presently, Mr. K. Nithyananda Reddy is drawing a remuneration of ₹90 lakhs per annum and other perquisites.

A brief profile of Mr. K. Nithyananda Reddy and name of the companies in which he holds directorships and memberships/chairmanships of Board/Committees, as stipulated under Clause 49 of Listing Agreement with the stock exchanges in India, are provided in Report on Corporate Governance forming part of the Annual Report.

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

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

Item 10

Dr. M. Sivakumaran was appointed as Whole-time Director of the Company with effect from June 1, 2012 for a period of 3 years which was approved at the 25th Annual General Meeting of the Company held on August 7, 2012. The Board, considering the significant contribution made by him to the growth and development of the Company and based on the recommendation of Nomination and Remuneration/Compensation Committee, re-appointed Dr. M. Sivakumaran as Whole-time Director of the Company with effect from June 1, 2015 for a period of three years, subject to the approval of Members at the general meeting.

Dr. M. Sivakumaran is responsible for the technological evolution of the Company. He looks after research and development, new product development and total quality management. Considering his long association with the Company and the pivotal role being played on the technical front, the Board justifies the proposal of his re-appointment.

The terms of reappointment of Dr. M. Sivakumaran and remuneration payable to him are as set out in Item 10 of the Notice. Presently, Dr. M. Sivakumaran is drawing a remuneration of ₹90 lakhs per annum and other perquisites.

A brief profile of Dr. M. Sivakumaran and name of the companies in which he holds directorships and memberships/chairmanships of Board/Committees, as stipulated under Clause 49 of Listing Agreement with the stock exchanges in India, are provided in Report on Corporate Governance forming part of the Annual Report.

No Director, Key Managerial Personnel or their relatives, except Dr. M. Sivakumaran, to whom the resolution relates, is interested or concerned in the Resolution.

The Board recommends the Special Resolution set forth in Item 10 for approval of the Members.

Item 11

Mr. M. Madan Mohan Reddy was appointed as Whole-time Director of the Company with effect from June 1, 2012 for a period of 3 years which was approved at the 25th Annual General Meeting of the Company held on August 7, 2012. The Board, considering the significant contribution made by him to the growth and development of the Company and based on the recommendation of Nomination and Remuneration/Compensation Committee, re-appointed Mr. M. Madan Mohan Reddy as Whole-time Director of the Company with effect from June 1, 2015 for a period of three years, subject to the approval of Members at the general meeting.

The terms of reappointment of Mr. M. Madan Mohan Reddy and remuneration payable to him are as set out in Item 11 of the Notice. Presently, Mr. M. Madan Mohan Reddy is drawing a remuneration of ₹90 lakhs per annum and other perquisites.

A brief profile of Mr. M. Madan Mohan Reddy and name of the companies in which he holds directorships and memberships/chairmanships of Board/Committees, as stipulated under Clause 49 of Listing Agreement with the stock exchanges in India, are provided in Report on Corporate Governance forming part of the Annual Report.

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 11 for approval of the Members.

By Order of the Board

Hyderabad
May 28, 2015

A. Mohan Rami Reddy
AVP (Legal) & Company Secretary

AUROBINDO

Directors' Report

Dear Members,

Your Directors are pleased to present the 28th Annual Report of the Company together with the audited accounts for the financial year ended March 31, 2015.

FINANCIAL RESULTS

Standalone financials		₹ Million
	2014-15	2013-14
Gross Turnover	**82,448.4**	72,695.3
Profit before depreciation, interest, tax and exceptional items	**23,176.4**	19,942.7
Depreciation/amortization	**2,451.5**	1,859.7
Finance cost	**565.8**	866.2
Exchange difference adjusted to borrowing cost	**755.6**	2,022.2
Profit before tax	**19,403.5**	15,194.6
Provision for tax/deferred tax	**4,240.0**	3,473.7
Net profit after tax	**15,163.5**	11,720.9
Balance brought forward from previous year	**28,278.4**	18,752.2
Balance available for appropriation	**43,441.9**	30,473.1
Appropriations:		
Dividend on equity shares - Interim	**1,312.8**	874.1
Final	**–**	–
Tax on dividend	**250.4**	148.5
Depreciation adjusted (as per Schedule II)	**196.4**	–
Transferred to general reserve	**–**	1,172.1
Surplus carried to Balance Sheet	**41,682.3**	28,278.4

DIVIDEND

Your Directors have approved a third interim dividend of 100% i.e. ₹1 per equity share and together with the first interim dividend of 150% i.e. ₹1.50 per equity share and second interim dividend of 200% i.e. ₹2.00 per equity share, the total dividend for the financial year 2014-15 comes to 450% i.e. ₹4.50 per share on the equity share of ₹1 against 300% i.e. ₹3 per share of ₹1 paid in the previous year.

PERFORMANCE REVIEW

Your Company delivered financially satisfactory results by executing on core strategies and setting the stage for long term growth. The revenue from operations was ₹80,951 million on a standalone basis, an increase of 13.8% over 2013-14. On a standalone basis, the EBITDA for 2014-15 was ₹23176.4 million, an increase of 16.2% over the previous year.

Profit before tax was increased to ₹19,403.5 million from ₹15,194.6 million in the previous year. This 27.7% increase was achieved by ramping up the volumes, improving productivity and saving on finance costs. Profit after tax was higher by 29.4% for the year under review at ₹15,163.5 as compared to ₹11,720.9 million in the previous fiscal. Diluted earnings per share on standalone basis is ₹51.97 as compared to ₹40.20 in the previous year.

Members will be pleased to know that the Company did well at the consolidated level, as well. In 2014-15, the consolidated revenues increased by 49.6% to ₹121,205.2 million. EBITDA for the year grew 23.4% and was ₹26,603.3 million as compared to ₹21,552.1 million in 2013-14 and diluted earnings per share grew by 34.3% to ₹54.0 reflecting strong execution and continued momentum in the business.

Your Company delivered financially satisfactory results by executing on core strategies and setting the stage for long term growth.

Your Company made the necessary long term investments to advance the geographical reach of formulations, to grow both in the US and Europe. The performance in 2014-15 was driven by competitive edge of the products across the portfolio. Over the financial year, formulation sales grew by 42% in the US and 375% in Europe, complimented by the acquisition of commercial operations from Actavis across seven Western European countries with effect from April 1, 2014.

Formulations in the US contributed 50.5% to the overall formulations revenues in the year under review and share of Europe has increased to 33.4% in 2014-15 from 12.5% in the previous year, demonstrating the focus on both the markets.

Formulation sales across all geographies grew by 77.7% to ₹95,586 million as compared ₹53,785 million in 2013-14. Formulations business constituted 77.9% of the revenues while active ingredients make the balance 22.1%.

In the US, Aurobindo Pharma continued to deliver strong revenue growth with its customer relationships and increased market penetration of existing products.

While sales of several generic products have been raised through the year, the growth has been more skewed towards controlled substances and non-institutional business. The injectable business in the US continued to outperform and grew by 88.7% over fiscal 2013-14.

In addition to the US, your Company is now present in over 150 countries with growing visibility in advanced markets such as France, Germany, Spain and Italy.

Aurobindo has delivered to expectations in Europe. The revenues from Europe stood at ₹31,947 million, significantly growing over the previous year. This has been primarily on account of the acquisition of the products from Actavis in Western European markets. Presently, France is the biggest market in Europe for Aurobindo followed by Germany, Netherlands, Spain, UK and Portugal. A concerted effort is being made to create an impact in Western Europe, and reach a critical mass.

Aurobindo has been supporting several multilateral agencies to provide cost effective treatment of HIV/AIDS patients. Your Company started executing a few notable tenders and stepped up deliveries across regions, of triple combination products. Anti-retroviral formulations sales increased by about 14.7% over the previous year. Your Company's products are estimated to have targeted treatment of over 2 million HIV/AIDs affected people across 110 countries.

In the emerging markets such as Africa, CIS, Latin America and MENA (Middle East and North Africa), there was a major shift from tenders/generics to more sustainable and better valued branded generics, especially in the high value therapy areas of cardiovasculars and neuro-psychiatry ailments. Close customer interaction helped gain traction in markets such as Malaysia, Myanmar, Philippines, Vietnam and Cambodia.

Proportion of revenue from active ingredients came down from 34.7% to about 22.1%, since there was an exponential growth in the formulations business, as compared to the API business. Your Company sees opportunities for growth of API business. Hence, the manufacturing capacities of API are being further expanded.

During the year, your Company completed the acquisition of the assets of nutritional supplement maker Natrol LLC, which was acquired for a consideration of ₹8,344 million. 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.

The US based Natrol is a leading 35 year old nutraceuticals manufacturer with established brands and was acquired with all the manufacturing assets, personnel and commercial infrastructure

In the US, Aurobindo Pharma continued to deliver strong revenue growth with its customer relationships and increased market penetration of existing products.

including the well established brands of Natrol along with an agreement to take on certain liabilities. The due approval was obtained from authorities and the acquisition was completed on December 4, 2014. In the consolidated financial statements, the financials of the acquired entity have been integrated effective that date.

OUTLOOK

Aurobindo is shaping its future, by ensuring sustainable growth with niche and differentiated basket of products, offering the highest product quality while being cost competitive, to meet the needs of customers and patients.

Your Company has already demonstrated its capabilities by creating a portfolio of very large number of generic products, including 193 ANDA approvals from the US FDA. The product profile includes wide range of injectables and more difficult to develop complex products and drug delivery systems.

The existing manufacturing capacities have helped reach revenues of almost USD 2 billion. Three new plants are being commissioned over the next 12 months, while three more are being expanded to double their existing capacities. Systems and processes are being improved with the help of a well-known consultant. Aurobindo aims to service its customers with performance standards in deliveries that meet their expectations.

The developed markets of US, Europe and Japan will remain the focus on the organisational dash board for generics and APIs. There are huge opportunities for your Company's ARV products which are being addressed. Emerging markets will be another thrust area for growth. Overall, Team Aurobindo is striving to create an impact in all these key markets.

As Members are aware, your Company develops, manufactures, markets and distributes store brand Over-the-Counter (OTC) products. The mission is to develop as many OTC products for most of 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 in New Jersey, US at Lawrenceville with facility to make liquids, semi solids & nasal sprays (about 52 million units per year); another manufacturing site is at Dayton with facility to make solids including Drug Enforcement Administration (DEA) controlled products (about 3 billion doses per year); and the third 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.

70 liquid products have been developed, exhibit batches have been made for a few solids and some are undergoing stability tests. Your Company has also commenced marketing a few products through well-established chain stores in the US. Aurobindo will work to get a strong foothold in this competitive but attractive market.

Streamlining of the newly acquired Natrol's current operation would expand operating margin in the near term. The management aims to enlarge the market, improve revenues and enhance efficiencies significantly.

Your Company is making determined foray into oncology and hormonal products, penems and peptides technology. 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.

The objective is to lower earnings volatility, strive for higher predictable and calibrated growth, and improve EBITDA margin and Return on Investment higher than industry average. 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.

In financial terms, the objective is to lower earnings volatility, strive for higher predictable and calibrated growth, and improve EBITDA margin and Return on Investment higher than industry average. 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.

RESEARCH & DEVELOPMENT

Clearly your Company's best investment for future growth has been and remains in research and development, and in order to maintain the momentum, allocation of funds was increased during the year under review. R&D expenses constituted 3.9% of the gross revenue for the year. In absolute amount, the expenditure in 2014-15 on standalone basis was ₹3,182.4 million, while it was ₹2,550.5 million in the previous year. More importantly, the resource base was ramped up by adding experienced scientists and researchers.

Aurobindo's expertise in R&D has given your Company the edge in designing the product basket, process technology, drug delivery systems, anticipation of customer and patient needs of the future and intellectual property challenges. Every effort has been made to ensure quality and compliance standards are met both at the lab and on the production floor, while reviewing the costs and time to launch the products in to the market.

During the year, 15 molecules (API/Intermediates) were taken up to modify/optimize the manufacturing technology to bring down the raw materials cost. Four new CRAMS API projects were taken up for development during 2014-15. Process for one complex API was successfully commercialized for a Japanese customer.

First half of the financial year saw large number of ANDA filings, especially for difficult to develop niche products, primarily in the steriles portfolio as well as oncology and hormonal products. Such products are highly development intensive, hold high risk in bioequivalence, but are rewarding from a business perspective. Cost optimization continued to be a focus area with alternate APIs, excipients and packs being worked upon, for both the US and EU markets.

In order to execute the requirements of products for which marketing rights were acquired for the key western European markets from Actavis, your Company has set up a dedicated formulation R&D. The objective is to design and develop cost effective compositions to compete with generics in the EU tender market. Development work has been initiated to create a pipeline of 60-70 products to be manufactured at Vizag and commercialized in the next 12 to 18 months.

Development work is on-going, on as many as 20 products in the oncology and hormone segments, both injectable and solid dosage forms. Dossier filings are expected to start in the financial year 2015-16.

Your Company is deepening the integration of the products acquired from Actavis and it will remain a priority in 2015-16 to grow the business profitably and create value for shareholders. The value is being realized through a combination of cost and growth synergies and excellence in deliveries.

In terms of the filings to US FDA, a total of 376 ANDAs have been filed as on March 31, 2015 out of which 166 final approvals had been received and another 27 tentative approvals (including 21 ANDA approved under PEPFAR, which are not for sales in the US market) too have been received. The balance 183 ANDAs are under review for approval.

The filings with regulatory authorities across all products are in excess of 2,100 generic registrations and over 2,500 API filings. In addition, 594 process patent applications have been filed so far.

Aurobindo's expertise in R&D has given your Company the edge in designing the product basket, process technology, drug delivery systems, anticipation of customer and patient needs of the future and intellectual property challenges.

ENVIRONMENT, HEALTH & SAFETY

The year under review ended on a satisfactory note in environmental management across API and formulations divisions. In respect of environment management operations at manufacturing locations and R&D establishments, activities and operations across all sites are adequately stabilized.

This was yet another year that witnessed competencies and commitment demonstrated by Aurobindo in sustained environmental management in its manufacturing locations.

From a regulatory perspective, environment regulatory approvals have been obtained well on time for all green field projects. State and central level environmental approvals have been obtained for one of the acquired API units. Process for central level environmental clearance for one of the expansion projects of an API unit is completed and awaiting consideration of the Expert Technical Committee concerned.

Investments continued to be made for up-gradation of existing environmental infrastructure and development of new projects in line with planned manufacturing activities. Planned activity of establishment of sewerage treatment plants at API units is completed for one unit and the project is nearing completion in one more unit. With an objective to reduce wastewater disposal to CETP and reuse treated wastewater, installation of RO plant was taken up in one of the formulations unit. One major achievement in the year is reduction of disposal costs of organic solid wastes by 50% which was made possible due to increased awareness, discipline and efforts in environmental management practices at manufacturing locations.

The EHS team of your Company prepared and implemented 'Guidelines for EHS risk assessment'. This framework provides methodologies to be followed to:

a. perform risk assessment of all activities of Aurobindo;

b. rank and prioritize activities;

c. identify and define risk controls;

d. ensure that the controls are working effectively to maintain risk within acceptable levels.

Several training programs were initiated to increase employee awareness and knowledge. Safety videos were used extensively to make an impact. A separate EHS training matrix was prepared for contract workmen based on work activities they perform.

Chemical exposure risk assessment was initiated to determine hazardous effects of chemical exposure. This risk assessment has been completed for 129 materials.

This was yet another year that witnessed competencies and commitment demonstrated by Aurobindo in sustained environmental management in its manufacturing locations.

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.

The following companies have become the Company's subsidiaries during the year: Aurovitas Spain S.A.U., Spain; Actavis France SAS, France; Arrow Generiques SAS, France; Actavis Deutschland GmbH & Co., Germany; Actavis B.V., The Netherlands; Actavis Management GmbH, Germany; Aurovitas S.L., Spain; Aurex B.V., Spain and Natrol, LLC, U.S.A.

The following companies have ceased to be the Company's subsidiaries during the year: Aurobindo Pharma Limited S.R.L., Dominican Republic; Aurobindo Pharma France SARL, France merged into Arrow Generiques SAS, France; Aurovitas SL, Spain while Agile Malta Holdings Limited, Malta merged into Aurobindo Pharma (Malta) Limited, Malta.

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.

HUMAN RESOURCE DEVELOPMENT

Your Company has the necessary managerial bandwidth to navigate the growth opportunities. Planning ahead of the requirement has ensured that Aurobindo has a strong team in many markets, in manufacturing facilities, research labs, supply-chain management and in fact, in every functional area. However, considering the potential opportunities and the organizational growth targets, there is a constant review being done to be ahead of the curve. Talent acquisition and talent retention are being given considerable emphasis in people management.

The strength of the organization is manifest in the enthusiasm to overcome competitive pressures, in building a robust pipeline of products, in the focus to monitor and control quality, in the premium attached to data governance, in the commitment to improve On-Time-In-Full (OTIF) performance and in the hunger to deliver results.

To strengthen the alignment between strategy, accountability, performance and recognition, there is a challenging but participative target setting, and the progress is closely tracked on a dashboard of milestones and actions, key operational metrics and financial performance. Individual goals are getting aligned to corporate results. The goal setting has ring fenced the risks, driven the business model towards sustainable growth and made the enterprise collaborative.

At every level in the hierarchy, learning & development inputs ensure that people stay agile and resilient to the challenges of growth.

While Team Aurobindo seeks new opportunities to extend geographies and build on the existing relationships, at every level, in every transaction, your Company will strive to minimize risks. The team is being sensitized to do whatever it takes to anticipate and pre-empt challenges. The measure of this approach is in the full involvement of the management at the senior most level. For instance, the team makes no compromise on quality and compliance. This approach is targeted to achieve predictable growth.

Your Company has the necessary managerial bandwidth to navigate the growth opportunities. Planning ahead of the requirement has ensured that Aurobindo has a strong team in many markets, in manufacturing facilities, research labs, supply-chain management and in fact, in every functional area.

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 Clause 49 of the Listing Agreement with the stock exchanges. 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/corporate-governance.

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 National 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, nine Board Meetings and five Audit Committee Meetings were convened and held. The details of the meetings including composition of Audit Committee are given 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. P. Sarath Chandra Reddy and Dr. M. Sivakumaran will retire at the ensuing annual general meeting and being eligible, seek re-appointment. The Board of Directors recommends their re-appointment.

The re-appointments of Mr. K. Nithyananda Reddy, Dr. M. Sivakumaran and Mr. M. Madan Mohan Reddy, Whole-time Directors and Mr. N. Govindarajan, Managing Director are being proposed at the ensuing Annual General Meeting.

DETAILS OF DIRECTORS & KEY MANAGERIAL PERSONNEL

The Members of the Company at the 27th Annual General Meeting of the Company held on August 27, 2014 have re-appointed Mr. K. Ragunathan, Mr. M. Sitarama Murty and Dr. Rajagopala Reddy as independent directors of the Company for a period of five years up to March 31, 2019.

Dr. C. Channa Reddy ceased to be a Director due to his resignation from the Board of the Company for personal reasons with effect from January 27, 2015. The Board places on record its appreciation of the services rendered by him as a Director during his association with the Company.

Dr. (Mrs.) Avnit Bimal Singh was appointed by the Board as an Additional Director (Independent Director) of the Company with effect from March 25, 2015 and being eligible, her appointment as an independent director for a period of five years up to March 24, 2020 is being proposed at the ensuing Annual General Meeting. The Board of Directors recommends her appointment.

Mr. Sudhir B. Singhi relinquished his responsibilities as Chief Financial Officer of the Company with effect from July 1, 2014 and was re-designated as Head of Global Finance & Operations Department. Mr. Santhanam Subramanian was appointed as Chief Financial Officer of the Company with effect from July 1, 2014.

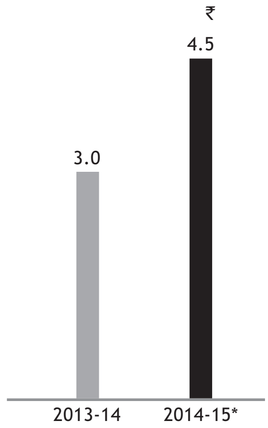
DIRECTORS' RESPONSIBILITY STATEMENT

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. Judgement 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;

DIVIDEND PER SHARE



*Includes third interim of ₹1 proposed

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

Clause 49 of the Listing Agreement 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 profit of the Company.

LOANS, GUARANTEES OR INVESTMENTS

The details of loans, guarantees, investments given during the financial year ended on March 31, 2015 is in **Annexure-2** to this Report in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

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-3** 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-4** to this Report.

At every level in the hierarchy, learning & development inputs ensure that people stay agile and resilient to the challenges of growth.

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-5** to this Report.

RISK MANAGEMENT COMMITTEE

Risk Management Committee of the Company consists of the following Directors namely Mr. M. Sitarama Murty, Mr. N. Govindarajan and Mr. P. Sarath Chandra Reddy. The Company has established a separate department to monitor the enterprise risk and 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 2013-14. The due date for filing Cost Audit Report of the Company in XBRL format for 2013-14 was September 30, 2014 and the same was filed with the Ministry of Corporate Affairs on September 26, 2014.

INTERNAL AUDITORS

The Board of Directors of the Company has appointed M/s. KPMG to conduct internal audit of the Company for the financial year ended March 31, 2015.

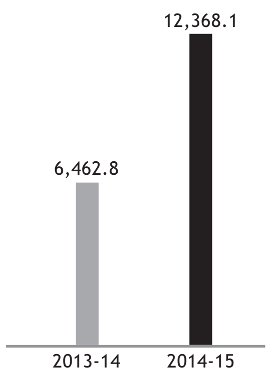
INTERNAL FINANCIAL CONTROLS

The internal financial controls (IFC) framework at Aurobindo encompasses internal controls over financial reporting (ICOFR) 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;

CASH FLOW FROM OPERATIONS
CONSOLIDATED ₹ Million



b. 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

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, Practicing Company Secretary (C.P.No: 2286), Company Secretary in Whole-time Practice, to undertake the Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report issued in form MR-3 is in **Annexure-6** to this Report. There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has formulated a corporate social responsibility policy with the objective 'give back to the society'. In line with this approach, Aurobindo has undertaken social activities such as promoting education, hygiene, preventive health care, eradicating hunger, poverty & malnutrition, making available safe drinking water, environment sustainability, ecological balance & conservation of natural resources, rural sports and setting up of old age homes etc.

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee of the Board of Directors has been formed consisting of following members namely Mr. K. Nithyananda Reddy, Mr. K. Ragunathan (Independent Director), Dr. M. Sivakumaran and Mr. P. Sarath Chandra Reddy to recommend the policy on Corporate Social Responsibility and monitor its implementation. Your Company has initially decided to focus on education, health, drinking water and sanitation as key areas which require attention. The objective is to make an impact on the quality of life of the common people in its neighborhood.

Your Company assesses each project for feasibility, organizes the volunteers and support staff before initializing the activity. Being the first year of a co-ordinated approach, the earmarked monies i.e. the stipulated two per cent of the average net profit of the last three financial years, could not be spent in full and hence is being carried forward.

Corporate Social Responsibility policy was adopted by the Board of Directors on the recommendation of Corporate Social Responsibility Committee and it is placed on the Company's website at: http://www.aurobindo.com/about-us/corporate-governance.

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.

Report on Corporate Social Responsibility as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is in **Annexure-7** 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-8** to this Report.

INSURANCE

All properties and insurable interests of the Company including building, 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, 2015 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 Clause 49 of the Listing Agreement with the stock exchanges 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 Clause 49 of the Listing Agreement with the stock exchanges in India is annexed to the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the stock exchanges 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 ₹525,254 during the year due to the allotment of 525,254 equity shares of ₹1 each on exercise of stock options under the Employee Stock Option Plan - 2006 (ESOP 2006) of the Company.

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, 2015 is in **Annexure-9** to this Report. The details of the employee stock options form part of the notes to accounts of the financial statements in this Annual Report.

ACKNOWLEDGEMENTS

Your Directors would like to thank the employees of Aurobindo for the dedication they have shown to accelerate the Company towards sustainable growth and shaping the future. The Directors are also grateful to the customers, business associates, banks and government agencies for their support and co-operation. Every day, the investors have shown their trust in Aurobindo. The Board shall continue to reciprocate their trust in the Company.

For and on behalf of the Board

K. Ragunathan
Chairman
DIN: 00523576

Hyderabad
May 28, 2015

Management Discussion & Analysis

ECONOMIC BACKGROUND

The growth rate in GDP at constant market prices in 2012-13 was 5.1%, which increased to 6.9% in 2013-14 and it is expected to further increase to 7.4% in 2014-15 (according to advanced estimates). Growth at market prices for 2015-16 is expected to be 8.1-to 8.5%. The Economic Survey says that expectation for such a growth rate is due to a number of reforms that have already been undertaken and more that are being planned for.

The decline in inflation by over 600 basis points since late 2013 and reduction of current account deficit from a peak of 6.7% of GDP in the third quarter of 2012-13 to about 1% in the ensuing fiscal year has made India an attractive investment destination.

The expected high growth rate in a favorable environment, has created a historic moment of opportunity to propel India into a double-digit growth trajectory.

The International Monetary Fund has forecast India's growth to strengthen from 7.2% in 2014 to 7.5% in both 2015 and 2016, overtaking China's growth - for the first time since 1999 - that it projected will slow down to 6.8%.

The World Bank too projected India's growth to accelerate to 7.5% in 2015, but added that on the back of significant acceleration of investment, growth could even reach 8% in 2017-18. The country is attempting to shift from consumption to investment-led growth, at a time when China is undergoing the opposite transition, the Bank said in its bi-annual South Asia Economic Focus report.

Several initiatives taken by the government are expected to favourably impact the Indian economy and provide impetus to industries from 2015-16 and beyond.

INDUSTRY PERSPECTIVE

Globally, the pharmaceutical industry is estimated to have had revenues of USD 1 trillion in 2014, about 2.1% higher than revenues of USD 980.1 billion achieved in 2013. North America (the US and Canada) contributed 41% of sales, while Europe contributed 27.4%. Nominal spending on medicines reached USD 373.9 billion in the US in 2014, up 13.1% year over year, the highest growth level since 2001 when growth was 17.0%, according to a recent analysis by the IMS Institute for Healthcare Informatics, with a record volume of 4.3 billion prescriptions filled.

The direction of the US market is critical for the overall performance of the global pharmaceutical industry since US is the largest single national pharmaceutical market in the world. The year 2014 saw recovery in this market, which reached its highest growth rate since 2001. The year 2014 was also a landmark year with a major change in US healthcare policy with the implementation of the Affordable Care Act.

The 10 largest pharmaceutical companies straddle over one-third of the industry, 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 a full 85% of the global pharmaceuticals market well into the 21st century. According to World Health Organisation (WHO), companies currently spend one-third of all sales revenue on marketing their products - roughly twice what they spend on research and development.

According to WHO, expenditure on medicines accounts for a major proportion of health costs in developing countries. Equally, access to treatment is heavily dependent on the availability of affordable medicines without compromising on drug safety, quality or efficacy. It is estimated that one-third of the developing world's people are unable to receive or purchase essential medicines on a regular basis. The provision of access to medicines depends on four factors:

- Rational selection and use of medicines;
- Affordable prices;

- Sustainable financing;
- Reliable health and supply systems.

Access to affordably priced drugs continues to be an important area of work being undertaken by all stakeholders. For instance, WHO has initiated several steps both with individual companies and countries to extend availability of drugs at affordable prices. The strategies to increase affordability of medicines include:

- Reducing taxes, tariffs and margins, and developing pricing policies;
- Generic medicines;
- Good procurement practices;
- Equity pricing and competition for single-source products. Equity pricing policies ensure that, from the point of view of the community and the individual, the price of a drug is fair, equitable, and affordable;
- Differential pricing (sometimes also called tiered pricing). The sale of the same good to different buyers at different prices, with the aim of improving the affordability of drugs while generating revenue for the pharmaceutical industry. For instance, differential pricing has reduced the cost of many anti-retroviral HIV/AIDS therapies by up to 90% in low-income countries, although they continue to be sold at market price in developed countries;
- Price information and therapeutic substitution;
- Promotion of competition, use of safeguards compatible with the agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), such as parallel importation and compulsory licensing.

The pharmaceutical companies take into consideration the changing dynamics of aging population, changing lifestyles, increasing demand for better medicare and prevalence of chronic diseases. Longevity has come with lifestyle ailments and infections. Each of these is being addressed by the pharmaceutical industry with considerable research and increased production of tested products. The efforts are to prevent infections and maintain health so that the population can enjoy better lives.

The share of spending for specialty drugs in the US market increased dramatically over the past decade. In 2004, the share of specialty medicines of the US market was 14% and in 2014, this share rose to 33%, a trend that is likely to continue till around 2017-18 as 42% of the late-stage pipeline is composed of specialty drugs, according to the IMS analysis.

IMS defines specialty medicines as products that are often injectable, high-cost biologics or require cold-chain distribution. They are mostly used by specialists and include treatments for cancer and other serious chronic conditions.

Generic drug spending increased by USD 9.5 billion in the US in 2014, driven by increased spending on mental health, pain, and cancer medicines. Generics are usually produced by a manufacturer who is not the inventor of the original product, and are marketed when intellectual property protection rights are exhausted.

New drugs contributed USD 20.3 billion to growth in 2014 in the US market, including USD 11.3 billion from four new HepatitisC treatments as nearly ten times as many patients were treated for that disease last year than in 2013.

The IMS Institute for Healthcare Informatics predicts that the pharmaceutical market will reach nearly USD 1,200 billion by 2017. The growth is expected mainly from market expansion in the leading emerging countries and from generics. Global brand spending is forecast to increase to USD 610-624 billion in 2017. Global generic spending is expected to increase to USD 420-430 billion by 2017, of which increasing proportion is from low-cost generics in emerging markets.

IMS projects that global spending on medicines will increase at a compound annual growth rate (CAGR) of 4-7% (on a constant currency basis) to 2018, when global spending on medicines is expected to reach nearly USD 1.3 trillion, based on its November 2014 report 'Global Outlook for Medicines Through 2018' by the IMS Institute for Healthcare Informatics. This growth rate will be slightly higher than the 5.2% recorded during the previous five-year period (2009-13). The uptick is due to the introduction of new specialty medicines, increased accessibility for patients, and reduced impact from patent expiries in developed markets.

The 21 emerging markets (China, Brazil, India, Russia, Mexico, Turkey, Venezuela, Poland, Argentina, Saudi Arabia, Indonesia, Colombia, Thailand, Ukraine, South Africa, Egypt, Romania, Algeria, Vietnam, Pakistan and Nigeria) that currently account for approximately 25% of global spending on medicines will continue to broaden as their economies expand and governments advance efforts to provide universal health coverage.

Generics are the largest contributor to overall pharmaceutical industry growth globally. On a global basis, generics are forecast to account for 52% of the projected increase in total absolute medicines spending of USD 305 billion to USD 335 billion (based on constant exchange rates) for the period of 2014 to 2018, according to September 2014 data as reported in IMS Institute for Healthcare Informatics' report, 'Global Outlook for Medicines through 2018'.

The growth in North America may be optically lower considering a higher base. Generics will account for 44% of the growth and about 46% of the spending growth in Europe. Innovative launches and price increases in North America will also keep generic growth more tempered than in other regions.

Seen from the Indian 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. On 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.

Indian pharma exports have consistently improved over the years. India exports 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 growth momentum is expected to continue.

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 has decided to declare 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 4.85 billion) in phases. Hyderabad, which is known as the bulk drug capital of India, accounts for nearly a fifth of India's exports of drugs, which stood at ₹900 billion (USD 14.56 billion) in 2013-14.

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% compound 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;
- Rapid geographic expansion into both developed and emerging markets;
- Aggressive portfolio build-outs in niche, specialty, and differentiated products.

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. Pricing pressures and the need for supply chain control are also common challenges for generic pharmaceutical companies.

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 antibiotics, neurosciences, cardiovasculars, anti-retrovirals, diabetics and gastroenterology among others.

Strengthened by manufacturing facilities approved by US FDA, UK MHRA, Japan PMDA, Health Canada, MCC South Africa and ANVISA Brazil for both APIs & formulations and with a global presence with its own infrastructure, strategic alliances with about 55 subsidiaries & joint ventures, Aurobindo features among the top 10 pharma companies from India in terms of consolidated revenues. The Company exports to over 150 countries across the globe with more than 86% of its standalone 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 achieve USD 3 billion in revenues by 2017-18. Aurobindo's strategic competitive advantage includes seven units ensuring captive source of APIs/ intermediates and eight units manufacturing formulations, designed to meet the requirements of both advanced as well as emerging market opportunities.

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. In the process, Aurobindo develops new drug delivery systems, dosage formulations and applies new technology for better 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;
- 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; 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 has been ranked as #9 generics supplier as per IMS total prescriptions dispensed for the 12 months ending September 2014.

In 2014, the Company had acquired certain products from Actavis in Western Europe to strengthen its formulations presence in those premium markets. Aurobindo is gaining traction in several west European countries supported by a robust infrastructure already in place.

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, which is amongst the top 20 branded nutraceutical companies in the US with more than 35 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 from the current size of USD 37 billion to around USD 55 billion by 2020, 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 oncolytics, hormones, steroids, ophthalmology, inhalers and penems.

STRENGTHS

A few strengths of the Company are as follows:

- A large portfolio of ANDAs in global generic companies with a diverse product basket of 2,100+ formulation filings & about 2,500 API filings worldwide;
- A complete portfolio of products in SSPs, cephalosporins, ARV, anti-infectives and other non-betalactams, sterile and non-sterile antibiotics;
- API integration for almost 90% 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 maintained through absolute adherence to the non-disclosure clause;
- Efficient supply chain management and optimal utilization of capacities, 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 are intense and are expected to remain so. 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 the shelf space. This threat hence 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. Pricing power i.e. the ability to price lower and yet manage to get higher return on sales than the competitors, is a potent strength. 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 at Aurobindo have been trained to create opportunities, replicate the successes and drive business growth. The Company has unmatched strengths to: cope with the challenges of the market with ability to anticipate market needs; plan for product launches with supportive documentation; create products that meet regulatory norms and execute within tight cost and time budgets.

INTERNAL FINANCIAL CONTROLS

The professionally managed Company has implemented Oracle based ERP which not only adds to the controls, but has led to faster information, analysis and improved decision making.

Aurobindo has a well-defined internal financial control system which is adequately monitored. Checks and balances and control systems have been established to ensure that assets are safeguarded, utilized with proper authorization and recorded in the books of account.

There is a proper definition of roles and responsibilities across the organization to ensure information flow and monitoring. These are supplemented by an internal audit carried out by a firm of Chartered Accountants. The Company has an Audit Committee consisting of three directors, all of whom are independent. This Committee reviews the internal audit reports, statutory audit reports, the quarterly and annual financial statements and discusses all significant audit observations and follow up actions arising from them.

HUMAN RESOURCES

Aurobindo Pharma has a team of over 11,500 professionals from 26 countries working at its various divisions - API manufacturing, formulation manufacturing, chemical R&D, formulation R&D and overseas operations. About 80% of the employees are graduates, post graduates and PhDs.

As part of its investment in learning and development, the Company has recrafted its human resource philosophy, which include the following:

- 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,
- Safety and staff welfare.

Another initiative is 'Mission Quality' which aims to create and augment the quality culture across the organization, to assess the staff and executives on their compliance standards and commitment. An assessment based on key performance indices and quality metrics has been carried out at the formulations unit to identify Master Quality Leaders (MQL) who will facilitate the quality initiatives across the organization

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
- Water
- Sanitation

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, hygiene, encourage good health, provide drinking water and support sanitation.

OUTLOOK

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.

There have been several new launches in 2014-15 and it is expected that there will a further thrust to improve the presence in both US and Europe. The market share of the injectable side of the business is expected to expand with increased supplies from both US and India. API volumes are being raised 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.

Capacity utilization is improving at all production units. The Company has an enviable product basket with a large portfolio of regulatory approvals. Aurobindo 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 expertise and competence to deliver on development, product processes and regulatory standards;
- Access to new technologies.

The Company 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 recognised for quality and compliance standards and in the ultimate analysis, create societal wealth for all stakeholders.

In financial terms, the objective is to lower volatility, strive for higher predictable and calibrated growth, and improve EBITDA margin and Return on Investment higher than industry average. 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.

Management of Risks

OVERVIEW

Risk management at Aurobindo is an enterprise-wide function and a holistic approach has been adopted based on COSO Enterprise Risk Management (ERM) Framework. The framework encompasses practices relating to identification, assessment, monitoring and mitigation of various risks towards achievement of business objectives.

The ERM at Aurobindo is aimed at dealing with uncertainty and to minimize adverse risk impact on business objectives and enables the Company to leverage business opportunities effectively. Aurobindo relentlessly endeavours not only to minimize risks but convert them into business opportunities that allow it to maximize returns for shareholders from diverse situations.

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. Aurobindo's core values and ethics also provide the platform for the Company's risk management practices.

BROAD 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 reputation.
- **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 i.e. Board of Directors, Audit Committee, Risk Management Committee (RMC), Risk Officer (RO), functional and unit heads whose 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:** Assist the Board/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):** Facilitate and coordinate the execution of risk management practices with respect to risk identification, impact assessment and mitigation. The RO submits periodic risk reports to RMC for its review and closely interacts with risk owners and internal audit teams for risk identification, monitoring and mitigation of risks;
- **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 according the need for effective business performance and operational excellence.

RISK IDENTIFICATION & ASSESSMENT

It is the process of determining risks across all key functions and business unit levels that could potentially prevent the Company from achieving its objectives. Periodically, on examining the business plan, strategic & function specific initiatives are considered for identification of potential risks. 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, video/telephonic conferencing, brain storming sessions, risk questionnaires etc. Risk registers are updated with existing and emerging risks.

Risk assessment is carried out considering probability of risk occurrence and its significance to the business. The Company identifies & evaluates several risk factors and draws out appropriate mitigation plans. Risk owners are identified and progress of mitigation actions are monitored and reviewed periodically. The Company believes in constant monitoring and decision-making to balance risks & rewards to translate them into optimal solutions between revenue generating initiatives and risks taken.

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 Rest of the World (ROW) where Aurobindo has business presence could adversely affect the Company's operations and revenues.

Aurobindo's business is dependent on exports to USA, Europe and the rest of the world (ROW) with a balanced product basket that contains several therapeutic segments.The revenue breakup of the Company for financial year 2014-15 is as given below:

- International sales constitute about 86% of the Company's total revenue and the rest 14% being domestic sales;
- Formulations business contributes 77.9% to the Company's total revenue and the rest 22.1% comes from active pharmaceutical ingredients;
- About 50.5% of the formulations sales come from the US, about 33.4% from Europe and the balance 16.1% is from anti-retroviral business segment and emerging markets.

During the year, with the acquisition of products from Actavis for the Western Europe markets, dependency on the US market tapered from 63% to 50.5% of formulations sales while increasing the formulations sales in Europe market to 33.4% from 12.5%. Also, continuous efforts are being made to strengthen business presence in potentially large markets such as Japan, Brazil, South Africa, Canada, Australia, North and West Africa and Middle East. These initiatives would also help consolidate Aurobindo's volumes and revenues over the long term, thereby spreading the risk portfolio. Instability in any one economy will not have a major influence on the Company.

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 and introduction of new products by competitors may impair the Company's competitive advantage and lead to erosion of revenues.

In a highly competitive pharmaceutical market where major players are present, it is difficult to improve market share and reduce risks. However, 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 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 & compliance risks

The pharmaceutical industry is constantly being challenged by critical compliance risks viz. to comply with rigorous regulatory requirements and compliance is evolving from an isolated departmental initiative to an enterprise level risk management challenge. Some of the competitors, especially multinational pharmaceutical companies, have greater experience in clinical testing and human clinical trials of products and in obtaining regulatory approvals. 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 850 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 193 ANDA approvals (166 final approvals including 9 for Aurolife Pharma LLC and 27 tentative approvals) from US FDA as at March 31, 2015. Cumulative filings total 376 ANDAs.

Similarly, as on March 31, 2015, the team has filed over 2,500 DMFs including 192 with US FDA. So far, 594 patent applications have been filed with various authorities.

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. The Company has put in place the necessary systems to prevent any violations or deviations. Robust quality systems and control measures have been implemented to ensure that the quality is ensured by process design.

Aurobindo is striving to benchmark its processes and systems as the best-in-class and thereby provide reassurance to all stakeholders. 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 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. Some pharmaceutical companies with noticeable presence in particular segments having demand are able to differentiate themselves and offer value proposition. In some segments, pharma players having good brand value have priced the products appropriately. Aurobindo is able to cope with pricing pressures and focus on quality assurance to minimize the possibilities of commoditization. The in-house R&D is striving to develop cost effective products by redefining the production process/facility.

Patent protection risks

Aurobindo's success depends on the Company's ability in future to obtain patents, protect trade secrets and other proprietary information and operate without infringing on the intellectual property rights of other pharma 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, Aurobindo has a dedicated IPR team which 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, 2015 the Company has filed for 594 patents. 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 intolarge potential markets in Latin America and ROW. The Company has the right balance between high margin-low volume products and low margin-high volume products. he product base has been streamlined to have a right balance between various product groups.

Proper capacity management is a challenge and the Company has taken the initiative for undertaking continuous capacity expansions and regular monitoring of on-going capital projects for their timely completion. Production planning team at Aurobindo monitors and utilises production capacities at optimum levels with the support of an effective marketing strategy along with proper coordination and discussion with production heads and supply chain head.

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. There is no hedging of currencies. This could have an impact on the Company's financial position.

Aurobindo is predominately an export oriented company. Over 86% of the Company's revenue is from exports. 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 the natural hedge to the imports and working capital in the 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, succession planning and retention of competent managerial personnel. The HR strategy is linked and aligned to overall business plan and growth of the Company. Aurobindo could face considerable challenge in complying with the various 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.

In order to meet the overall objectives of the Company, the HR team 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. ERP aided monitoring and supervisory controls are in place to mitigate compliance risks.

The HR team has developed an effective employee performance appraisal program 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 team on the market trends & dynamics for keeping adequate inventory levels.

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 as well as ensuring compliance with Information Technology Act. 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. There exists a restricted access to USB ports.

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.

Annexure-1

Form AOC-I

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

₹ Million

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
1.	Helix Healthcare B.V.	EURO	67.19	5,980.4	(462.4)	2,340.4	1,819.2	4,996.8	–	–	(33.7)	–	(33.7)	–	100	The Netherlands
2.	Agile Pharma B.V.	EURO	67.19	2,712.1	273.1	3,133.8	6,235.2	6,086.6	–	–	232.6	58.8	173.7	–	100	The Netherlands
3.	APL Holdings (Jersey) Limited	EURO	67.19	244.4	(42.8)	194.9	0.4	7.1	–	–	(47.0)	–	(47.0)	–	100	Jersey
4.	Agile Malta Holdings Limited[1]	EURO	67.19	–	–	–	–	–	–	–	0.3	–	0.3	–	100	Malta
5.	Aurobindo Pharma France SARL[2]	EURO	67.19	–	–	–	–	–	–	–	–	–	–	–	100	France
6.	Laboratorios Aurobindo S.L.	EURO	67.19	326.9	(290.1)	1,090.8	1,054.0	–	–	735.7	(279.8)	(87.5)	(192.3)	–	100	Spain
7.	Pharmacin B.V.	EURO	67.19	1.2	67.0	197.1	128.9	–	–	606.4	56.8	13.5	43.3	134.4	100	The Netherlands
8.	Milpharm Limited	GBP	92.47	332.7	368.0	1,454.2	753.5	–	–	2,207.3	11.5	2.7	8.8	–	100	United Kingdom
9.	Aurobindo Pharma (Malta) Limited	EURO	67.19	341.0	278.4	553.4	129.8	195.8	–	45.7	(9.2)	0.3	(9.5)	1.6	100	Malta
10.	APL Swift Services (Malta) Limited	EURO	67.19	241.9	(35.7)	3,004.1	2,797.9	–	–	8,148.2	10.4	–	10.4	–	100	Malta
11.	APL IP Company Limited	EURO	67.19	7.1	0.2	7.8	0.5	–	–	–	(240.4)	–	(240.4)	–	100	Jersey
12.	Aurobindo Pharma GmbH	EURO	67.19	1.7	231.4	2,180.6	1,947.5	–	–	703.7	88.3	–	88.3	–	100	Germany
13.	Aurobindo Pharma B.V.	EURO	67.19	1.2	75.0	185.9	109.7	–	–	141.9	(33.9)	(6.8)	(27.1)	–	100	The Netherlands
14.	Aurobindo Pharma (Romania) s.r.l.[6]	RON	15.37	140.9	(78.2)	178.9	116.2	–	–	124.5	(19.5)	(2.0)	(17.5)	–	100	Romania
15.	Aurobindo ILAC Sanayi ve Ticaret Limited Sirketi	TRY	23.94	159.8	(57.3)	103.5	1.0	–	–	–	(12.7)	–	(12.7)	–	100	Turkey
16.	Aurobindo Pharma (Portugal) Unipessoal Limitada	EURO	67.19	501.4	(668.8)	306.9	474.3	–	–	208.4	(145.6)	4.8	(150.5)	–	100	Portugal
17.	Aurovitas S.L.[3 & 8]	EURO	67.19	–	–	–	–	–	–	–	(0.4)	–	(0.4)	–	100	Spain
18.	Aurex B.V.[8]	EURO	67.19	6.0	–	6.0	–	–	–	–	–	–	–	–	100	The Netherlands
19.	Aurobindo Pharma (Italia) s.r.l.	EURO	67.19	134.4	(25.3)	1,447.5	1,338.4	–	–	1,270.1	(465.9)	–	(465.9)	–	100	Italy
20.	Aurovitas, Unipessoal Lda	EURO	67.19	0.3	44.5	546.5	501.7	–	–	1,043.0	76.1	31.6	44.5	–	100	Portugal
21.	Arrow Generiques SAS[7]	EURO	67.19	2,482.4	(975.8)	5,143.3	3,636.7	–	–	9,011.2	(40.6)	–	(40.6)	–	100	France
22.	Actavis France SAS[7]	EURO	67.19	506.6	(73.0)	739.4	305.8	–	–	248.7	(51.3)	–	(51.3)	–	100	France
23.	Actavis Management GmbH[6 & 7]	EURO	67.19	1.7	2.5	4.6	0.4	–	–	–	0.1	(0.1)	0.2	–	100	Germany
24.	Actavis Deutschland GmbH & Co., KG[6 & 7]	EURO	67.19	1.7	1,000.1	7,260.3	6,258.5	–	–	5,833.7	330.0	49.8	280.2	280.2	100	Germany
25.	Aurovitas Spain S.A.U. (formerly known as Actavis Spain S.A.U.)[6 & 7]	EURO	67.19	8.3	610.3	1,139.9	521.3	–	–	1,814.7	9.9	6.1	3.8	–	100	Spain
26.	Actavis B.V.[6 & 7]	EURO	67.19	3.4	4.0	1,867.6	1,860.2	–	–	2,962.1	(132.3)	0.7	(132.9)	–	100	Spain
27.	APL Pharma Thai Limited[6]	THB	1.92	192.0	(13.5)	263.9	85.4	–	–	230.7	(11.7)	–	(11.7)	–	97.92	Thailand
28.	Aurobindo Pharma Industria Farmaceutica Limited[6]	Reais	19.39	196.3	275.6	738.4	266.5	–	–	1,281.4	457.0	102.4	354.6	–	99.97	Brazil

(Contd.)

₹ Million

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
29.	Aurobindo Pharma Produtos Farmaceuticos Limitada[6]	Reais	19.39	1.9	(33.7)	408.2	440.0	–	–	313.3	(31.6)	9.9	(41.4)	–	100	Brazil
30.	A.ll Pharma (Shanghai) Trading Company Limited[6]	RMB	10.08	50.4	91.2	605.3	463.7	–	–	2,736.9	13.6	3.9	9.7	–	100	China
31.	Auro Pharma Inc.	CAD	49.03	212.2	(104.6)	515.5	407.9	–	–	385.0	0.9	–	0.9	–	100	Canada
32.	Aurobindo Pharma (Australia) Pty Limited	AUD	47.54	513.6	(386.8)	207.5	80.7	–	–	49.6	(96.4)	–	(96.4)	–	100	Australia
33.	Aurobindo Pharma (Pty) Limited	ZAR	5.12	214.3	182.2	481.0	168.9	–	84.4	638.2	128.1	3.3	124.8	–	100	South Africa
34.	Auro Healthcare (Nigeria) Limited	Naira (NGN)	0.31	19.7	(15.8)	4.4	0.5	–	–	3.5	0.6	0.3	0.3	–	100	Nigeria
35.	Aurobindo Pharma Japan K.K.	JPY	0.52	77.6	9.9	97.4	9.9	–	–	54.8	6.7	2.9	3.8	–	100	Japan
36.	Aurobindo Pharma (Singapore) Pte Limited	SGD	45.48	4.5	(4.5)	0.1	0.1	–	–	–	(0.6)	–	(0.6)	–	100	Singapore
37.	Aurobindo Pharma Limited, s.r.l.[4]	DOP	1.38	–	–	–	–	–	–	–	(0.6)	–	(0.6)	–	100	Dominican Republic
38.	Aurobindo Pharma NZ Limited[5]	NZD	47.06	–	–	–	–	–	–	–	–	–	–	–	100	New Zealand
39.	Aurovida Farmaceutica S.A. de C.V.[6]	MXN (Mpeso)	4.10	350.8	(49.5)	319.7	18.4	–	–	27.1	(38.7)	–	(38.7)	–	100	Mexico
40.	Aurobindo Pharma Colombia S A S[6]	Colombian Peso	0.02	12.1	(11.0)	77.9	76.8	–	–	23.3	(10.8)	–	(10.8)	–	100	Colombia
41.	Aurobindo Pharma USA Inc.	USD	62.50	3,854.7	3,495.2	27,410.0	23,932.0	3,871.9	–	29,902.7	1,379.6	557.4	822.2	–	100	U.S.A.
42.	Aurolife Pharma LLC	USD	62.50	3,812.5	1,444.4	7,075.9	1,819.0	–	–	7,336.9	2,152.1	869.5	1,282.7	–	100	U.S.A.
43.	Auromedics Pharma LLC	USD	62.50	12.5	131.1	2,125.9	1,982.3	–	–	4,292.4	47.8	19.3	28.5	–	100	U.S.A.
44.	Auro Health LLC	USD	62.50	0.6	(393.1)	918.3	1,310.8	–	–	18.6	(228.5)	(92.3)	(136.2)	–	100	U.S.A.
45.	Natrol LLC[7]	USD	62.50	31.3	(66.1)	9,120.6	9,155.4	–	–	1,924.0	(66.0)	–	(66.0)	–	100	U.S.A.
46.	APL Research Centre Limited	INR	1.00	121.0	(0.1)	120.9	–	–	–	–	(0.1)	–	(0.1)	–	100	India
47.	APL Healthcare Limited	INR	1.00	555.4	(1.6)	618.8	65.0	–	–	–	(2.3)	(0.7)	(1.6)	–	100	India
48.	Auronext Pharma Private Limited	INR	1.00	1,130.1	(480.8)	887.4	238.1	–	–	154.8	(202.9)	–	(202.9)	–	83.42	India
49.	Auro Peptides Limited	INR	1.00	501.0	(61.5)	467.9	28.4	–	–	22.7	(91.8)	(30.4)	(61.5)	–	100	India
50.	Aurobindo Antibiotics Limited	INR	1.00	0.5	(0.1)	0.4	–	–	–	–	(0.1)	–	(0.1)	–	100	India
51.	Curepro Parenterals Limited	INR	1.00	21.5	296.2	317.7	–	–	–	–	2.7	0.8	1.8	–	100	India
52.	Eugia Pharma Specialities Limited	INR	1.00	475.0	(1.4)	1,074.9	601.3	–	–	–	(2.1)	(0.6)	(1.4)	–	60	India
53.	Hyacinths Pharma Private Limited	INR	1.00	84.9	(0.6)	84.3	–	–	–	–	–	0.1	(0.1)	–	100	India
54.	Silicon Life Sciences Private Limited	INR	1.00	436.2	(52.8)	567.1	183.7	–	–	130.4	(37.7)	(34.6)	(3.1)	–	100	India
55.	AuroZymes Limited	INR	1.00	0.5	(0.1)	21.9	21.5	–	–	–	(0.1)	–	(0.1)	–	100	India

[1] Agile Malta Holdings Limited has merged with Aurobindo Pharma (Malta) Limited with effect from January 1, 2015.
[2] Aurobindo Pharma France SARL merged with Arrow Generiques S.A.S. with effect from April 1, 2014.
[3] Aurovitas S.L., Spain closed with effect from December 2, 2014.
[4] Aurobindo Pharma Limited s.r.l. closed with effect from December 18, 2014.
[5] Aurobindo Pharma NZ Limited, New Zealand was incorporated during the year 2011-12 and there was no activity during the year.
[6] The financial year of these companies end on December 31. However, the results given are as of March 31, 2015.
[7] Acquired during the financial year, results given are from the date of acquisition.
[8] Incorporated during the financial year, results given are from the date of incorporation.

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, 2015
3.	Share of joint venture held by the Company at the year end	
	i. Number	927,236
	ii. Amount of investment in joint venture	84.4
	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	257.6
7.	Profit for the year	167.1
	i. Considered in consolidation	83.55
	ii. Not considered in consolidation	83.55

For and on behalf of the Board

N. Govindarajan
Managing Director
DIN: 00050482

Dr. M. Sivakumaran
Director
DIN: 01284320

Hyderabad, May 28, 2015

Annexure-2

Particulars of loans, guarantees or investments

(Pursuant to Section 186 of the Companies Act, 2013 during the year April 1, 2014 to March 31, 2015)

Name of entity	₹ Million	Particulars of loan, guarantee and investments	Purpose for which the loans, guarantee and investments are proposed to be utilized
Auronext Pharma Private Limited	400.5	Investment in equity share capital	Business purpose
Auro Peptides Limited	174.1	Loan	Business purpose
Auro Peptides Limited	500.0	Investment in preference share capital	Business purpose
Tergene Biotech Private Limited	10.0	Loan	Business purpose
Tergene Biotech Private Limited	33.9	Investment as equity share application money	Business purpose

Note:

1. Auronext Pharma Private Limited and Auro Peptides Limited are subsidiaries of the Company.
2. The entire loan amount at an interest of 9.5% p.a. has been repaid by Auro Peptides Limited on March 30, 2015.
3. The investment in 9.5% cumulative redeemable preference share capital of Auro Peptides Limited was made on March 25, 2015 and the allotment took place on March 30, 2015.
4. The entire loan amount given on March 11, 2015 at an interest of 10.50% p.a. has been repaid by Tergene Biotech Private Limited on April 2, 2015.
5. The entire share application money given on March 31, 2015 was converted into equity share capital and Tergene Biotech Private Limited has become a subsidiary of the Company with effect from April 1, 2015.

For and on behalf of the Board

K. Ragunathan
Chairman
DIN: 00523576

Hyderabad
May 28, 2015

Annexure-3

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	21,471.0
		Purchase of materials, assets & expenses	On going	Based on transfer pricing guidelines	2.0

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 28, 2015

Annexure-4

Form No. MGT-9
Extract of Annual Return
for the financial year ended on March 31, 2015

[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, Maitrivihar, Ameerpet Hyderabad 500 038, Telengana 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 Bernhard plein 200,1097 JB Amsterdam, Post Bag No. 990 1000 AZ, The Netherlands	Foreign company	Subsidiary	100	2(87)
2.	Agile Pharma B.V. Prins Bernhard plein 200,1097 JB Amsterdam, Post Bag No. 990 1000 AZ, The Netherlands	Foreign company	Subsidiary	100	2(87)
3.	APL Holdings (Jersey) Limited 1st Floor, 37 Broad Street, St. Helier, Jersey, Channel Islands	Foreign company	Subsidiary	100	2(87)
4.	Laboratorios Aurobindo S.L. Avda. De Burgos, 16D, 5 deg Planta - Edificio Euromor, 28036, Madrid, Spain	Foreign company	Subsidiary	100	2(87)
5.	Pharmacin B.V. Molenvliet103, 3335 LH Zwinindrecht, The Netherlands	Foreign company	Subsidiary	100	2(87)
6.	Milpharm Limited Ares Block, Odyssey Business Park, South Ruislip, Middlesex, London, U.K.	Foreign company	Subsidiary	100	2(87)
7.	Aurobindo Pharma (Malta) Limited Vault-14, Level-2, Valletta Waterfront, Floriana, Malta	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
8.	APL Swift Services (Malta) Limited Vault-14, Level-2, Valletta Waterfront, Floriana, Malta	Foreign company	Subsidiary	100	2(87)
9.	APL IP Company Limited 1st Floor, 37 Broad Street, St. Helier, Jersey, Channel Islands	Foreign company	Subsidiary	100	2(87)
10.	Aurobindo Pharma GmbH Willy-Brandt-Allee 2, 81829 Munchen, Germany	Foreign company	Subsidiary	100	2(87)
11.	Aurobindo Pharma B.V. Baarnschedijk 1, 3741 LN Bsaaarn, The Netherlands	Foreign company	Subsidiary	100	2(87)
12.	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)
13.	Aurobindo ILAC Sanayive Ticaret Limited Sirketi Akasya Kent Etabi A Blok Kat 28 No 172 34660 Acibadem, Üsküdar, Istanbul, Turkey	Foreign company	Subsidiary	100	2(87)
14.	Aurobindo Pharma (Portugal) Unipessoal Limitada Av. do Forte, n.Â° 3, ParqueSuÃccia,Ed. IV, 2Â°, 2794-038 Carnaxide, Portugal	Foreign company	Subsidiary	100	2(87)
15.	Aurex B.V. Molenvliet103, 3335 LH Zwinindrecht, The Netherlands	Foreign company	Subsidiary	100	2(87)
16.	Aurobindo Pharma (Italia) S.r.l. Via San Giuseppe, 102, 20147 Saronno (Varese) Italy	Foreign company	Subsidiary	100	2(87)
17.	Aurovitas Unipessoal Lda Do Forte, No 3, ParqueSuecia, Edificio, IV, 2o Carnaxide, Lisboa, Concelho, Carnaxide, Portugal	Foreign company	Subsidiary	100	2(87)
18.	Arrow Generiques SAS 26 avenue Tony Garnier 69007 Lyon, France	Foreign company	Subsidiary	100	2(87)
19.	Actavis France SAS 26 avenue Tony Garnier 69007 Lyon, France	Foreign company	Subsidiary	100	2(87)
20.	Actavis Management GmbH Willy Brandt Allee 2; D-81829 München, Germany	Foreign company	Subsidiary	100	2(87)
21.	Actavis Deutschland GmbH & Co., KG Willy Brandt Allee 2; D-81829 München, Germany	Foreign company	Subsidiary	100	2(87)
22.	Aurovitas Spain S.A. (Actavis Spain S.A.) Avda. De Burgos, 16D, 5 deg Planta, Edificio Euromor, 28036, Madrid, Spain	Foreign company	Subsidiary	100	2(87)
23.	Actavis B.V. Baarnschedijk 1, 3741 LN Bsaaarn, The Netherlands	Foreign company	Subsidiary	100	2(87)
24.	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)
25.	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)
26.	Aurobindo Pharma Produtos Farmaceuticos Limitada 2 Andar Sala 205, Centro Anapolis, Goias State, Brazil	Foreign company	Subsidiary	100	2(87)
27.	All Pharma (Shanghai) Trading Company Limited Room 3304, No.8 Xingly Road, Shanghai, P.R. China	Foreign company	Subsidiary	100	2(87)
28.	Auro Pharma Inc. 3700 Steeles Avenue, W Suite # 402, Woodbridge, Canada, ONL4L 8K8	Foreign company	Subsidiary	100	2(87)
29.	Aurobindo Pharma (Australia) Pty Limited PO Box No#4039, Macquarie Shopping Centre, North Ryde, NSW 2113, Australia	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
30.	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)
31.	Auro Healthcare (Nigeria) Limited Plot no.4, oyetubo street, Off Obafemi, Awolowo Way, Ikeja, Logos, Nigeria	Foreign company	Subsidiary	100	2(87)
32.	Aurobindo Pharma Japan K.K. 9th Floor, Youth Building,Cho-ku,103-0002, 1-3-8 Nihon bashi bakuro-cho, Tokyo, Japan	Foreign company	Subsidiary	100	2(87)
33.	Novagen Pharma (Pty) Limited 100, Sovereign Drive, Route 21, Corporate Park, Nellmapius Road, Irene, Pretoria, South Africa	Foreign company	Joint Venture	50	2(6)
34.	Aurobindo Pharma (Singapore) Pte Limited 10 Jalan Besar, 10-10 Sim Lim Tower, Singapore 208787	Foreign company	Subsidiary	100	2(87)
35.	Aurobindo Pharma Limited s.r.l. No.4, Poncio Sabater Street, Paraiso, Santo Domingo, Dominican Republic	Foreign company	Subsidiary	100	2(87)
36.	Aurobindo Pharma NZ Limited Martelli Mckegg, Level 20, PwC Tower, 188 Quay Street, Auckland, 1010, New Zealand	Foreign company	Subsidiary	100	2(87)
37.	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)
38.	Aurobindo Pharma Colombia S A S Carrera 7 No. 71-52 Torre A Piso 5 Bogotá, Colombia	Foreign company	Subsidiary	100	2(87)
39.	Aurobindo Pharma USA Inc. 6, Wheeling Road, Dayton, NJ 08810 U.S.A.	Foreign company	Subsidiary	100	2(87)
40.	Aurolife Pharma LLC 6, Wheeling Road, Dayton, NJ 08810, U.S.A.	Foreign company	Subsidiary	100	2(87)
41.	Auromedics Pharma LLC 2400 Route 130 N, Dayton, NJ 08810, U.S.A.	Foreign company	Subsidiary	100	2(87)
42.	Auro Health LLC 2572 Brunswick Pike, Lawrenceville, NJ 08648, U.S.A.	Foreign company	Subsidiary	100	2(87)
43.	Natrol LLC 21411 Prairie Street, Chatsworth, CA 91311, U.S.A.	Foreign company	Subsidiary	100	2(87)
44.	APL Research Centre Limited Plot No.2, Maithri Vihar, Ameerpet, Hyderabad - 500 038	U24116TG2006PLC051171	Subsidiary	100	2(87)
45.	APL Healthcare Limited Plot No.2, Maithri Vihar, Ameerpet, Hyderabad - 500 038	U24239TG2006PLC052053	Subsidiary	100	2(87)
46.	Auronext Pharma Private Limited 89-A, Ground Floor, Zamrudpur, Greater Kailash-1, New Delhi - 110 048	U74999DL2009PTC191842	Subsidiary	83.42	2(87)
47.	Auro Peptides Limited Plot No.2, Maithri Vihar, Ameerpet, Hyderabad - 500 038	U24232TG2012PLC078350	Subsidiary	100	2(87)
48.	Aurobindo Antibiotics Limited Plot No.2, Maithri Vihar, Ameerpet, Hyderabad - 500 038	U24232TG2012PLC081892	Subsidiary	100	2(87)
49.	Curepro Parenterals Limited Plot No.2, Maithri Vihar, Ameerpet, Hyderabad - 500 038	U24232TG2013PLC087101	Subsidiary	100	2(87)
50.	Eugia Pharma Specialities Limited Plot No.2, Maithri Vihar, Ameerpet, Hyderabad - 500 038	U24297TG2013PLC087048	Subsidiary	60	2(87)
51.	Hyacinths Pharma Private Limited Plot No.2, Maithri Vihar, Ameerpet, Hyderabad - 500 038	U24232TG2010PTC069638	Subsidiary	100	2(87)
52.	Silicon Life Sciences Private Limited Plot No.2, Maithri Vihar, Ameerpet, Hyderabad - 500 038	U85100TG2008PTC057669	Subsidiary	100	2(87)
53.	AuroZymes Limited Plot No.2, Maithri Vihar, Ameerpet, Hyderabad - 500 038	U24232TG2013PLC091383	Subsidiary	100	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				No. of shares held at the end of the year				Change during the year (%)
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a. Individual/HUF	150,483,428		150,483,428	51.63	139,883,428		139,883,428	47.91	-3.72
b. Central Government	–	–	–	–	–	–	–	–	–
c. State Government(s)	–	–	–	–	–	–	–	–	–
d. Bodies corporate	8,692,358		8,692,358	2.98	8,692,358		8,692,358	2.98	–
e. Banks/FI	–	–	–	–	–	–	–	–	–
f. Any other	–	–	–	–	–	–	–	–	–
Sub-total (A)(1)	159,175,786		159,175,786	54.61	148,575,786		148,575,786	50.89	-3.72
2. Foreign									
a. NRIs - Individuals	–	–	–	–	9,000,000		9,000,000	3.08	3.08
b. Other - Individuals	–	–	–	–	–	–	–	–	–
c. Bodies corporate	–	–	–	–	–	–	–	–	–
d. Banks/FI	–	–	–	–	–	–	–	–	–
e. Any other	–	–	–	–	–	–	–	–	–
Sub-total (A) (2)	–	–	–	–	9,000,000	–	9,000,000	3.08	3.08
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**159,175,786**		**159,175,786**	**54.61**	**157,575,786**	**–**	**157,575,786**	**53.97**	**-0.64**
B. Public shareholding									
1. Institutions									
a. Mutual Funds	28,326,301		28,326,301	9.72	17,988,239	–	17,988,239	6.16	-3.56
b. Banks/FI	333,116		333,116	0.11	181,669	–	181,669	0.06	-0.05
c. Central Government	–	–	–	–	–	–	–	–	–
d. State Government(s)	–	–	–	–	–	–	–	–	–
e. Venture Capital Funds									
f. Insurance companies	52,951		52,951	0.02	52,951	–	52,951	0.02	–
g. FIIs	69,177,453		69,177,453	23.74	86,367,982		86,367,982	29.58	5.84
h. Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i. Others	–	–	–	–	–	–	–	–	–
Sub-total (B)(1)	97,889,821		97,889,821	33.59	104,590,841	–	104,590,841	35.82	2.23
2. Non-Institutions									
a. Bodies corporate									
i. Indian	6,067,290	50,500	6,117,790	2.10	4,459,878	50,500	4,510,378	1.54	-0.56
ii. Overseas	–	–	–	–	–	–	–	–	–
b. Individuals									
i. Individual shareholders holding nominal share capital up to ₹1 lakh	17,316,206	1,551,125	18,867,331	6.47	15,313,825	1,469,277	16,783,102	5.75	-0.72
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	7,654,704	–	7,654,704	2.63	6,915,881	–	6,915,881	2.37	-0.26
c. Others (specify) Non Resident Indians	843,895	–	843,895	0.29	1,287,804	–	1,287,804	0.44	0.15
Clearing members	899,722	–	899,722	0.31	311,186	–	311,186	0.11	-0.20
Trusts	7,872	–	7,872	0.00	7,297	–	7,297	0.00	–
Qualified Institutional Investor	100	–	100	0.00	0.00	–	0.00	0.00	–
Sub-total (B)(2)	32,789,789	1,601,625	34,391,414	11.80	28,295,871	519,777	29,815,648	10.21	-1.59
Total public shareholding (B)=(B)(1)+ (B)(2)	**130,679,610**	**1,601,625**	**132,281,235**	**45.39**	**132,886,712**	**1,519,777**	**134,406,489**	**46.03**	**0.64**
C. Shares held by custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**28,9855,396**	**1,601,625**	**291,457,021**	**100**	**290,462,498**	**1,519,777**	**291,982,275**	**100.00**	**0.18**

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	19,481,440	6.68	0.69	9,000,000	3.08	–	-3.60
2.	Mrs. P. Suneela Rani	90,830,550	31.16	4.02	100,661,990	34.48	0.99	3.32
3.	Mrs. K. Kirthi Reddy	10,650,000	3.65	–	10,350,000	3.54	0.03	-0.11
4.	Mr. K. Nithyananda Reddy	13,762,350	4.72	1.64	13,762,350	4.71	0.70	-0.01
5.	Mrs. K. Rajeswari	1,187,750	0.41	–	1,037,750	0.36	–	-0.05
6.	Trident Chemphar Limited	6,073,613	2.08	1.70	6,073,613	2.08	0.79	–
7.	Mrs. Kambam Spoorthi	3,800,000	1.30	1.02	3,800,000	1.30	0.27	–
8.	Dr. M. Sivakumaran	7,345,680	2.52	–	7,345,680	2.52	–	–
9.	Mr. P. Rohit Reddy	1,905,000	0.65	–	1,840,000	0.63	–	-0.02
10.	Mrs. P. Neha Reddy	–	–	–	65,000	0.02	–	0.02
11.	Mr. P. Sarath Chandra Reddy	16,390	0.01	–	16,390	0.01	–	–
12.	Axis Clinicals Limited	2,618,745	0.90	0.89	2,618,745	0.90	0.35	–
13.	Mr. K. Prasad Reddy	300,578	0.10	0.04	200,578	0.07	0.04	-0.03
14.	Mr. M. Sumanth Kumar Reddy	1,200,000	0.41	0.24	800,000	0.27	0.26	-0.14
15.	Mr. K. Suryaprakash Reddy	3,690	–*	–	3,690	–*	–	–
	TOTAL	**159,175,786**	**54.61**	**10.24**	**157,575,786**	**53.97**	**3.43**	**-0.64**

* Negligible percentage of total shares of the Company.

iii. Change in promoters' shareholding

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	159,175,786	54.61	159,175,786	54.61
	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 2, 2014	-300,000 (Transfer)	0.10	158,875,786	54.51
	June 17, 2014	-200,000 (Transfer)	0.07	158,675,786	54.44
	June 26, 2014	-100,000 (Transfer)	0.03	158,575,786	54.41
	June 27, 2014	-200,000 (Transfer)	0.07	158,375,786	54.34
	August 14, 2014	-150,000 (Transfer)	0.05	158,225,786	54.29
	August 21, 2014	-540,000 (Transfer)	0.19	157,685,786	54.10
	October 23, 2014	-110,000 (Transfer)	0.04	157,575,786	54.06
	At the end of the year*			157,575,786	53.97

* 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.

Note: 10,481,440 shares were transferred by Mr. P.V. Ramprasad Reddy, a promoter, to Mrs. P. Suneela Rani, a promoter, on March 24, 2015. This 3.60% holdings was a transfer *inter se* between the promoters.

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 A/c HDFC Growth Fund**				
	At the beginning of the year	25,954,273	8.91	25,954,273	8.91
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	April 4, 2014	-108,800	-0.04	25,845,473	8.87
	April 11, 2014	-544,000	-0.19	25,301,473	8.68
	April 18, 2014	-131,000	-0.04	25,170,473	8.64
	April 25, 2014	-490,000	-0.17	24,680,473	8.47
	May 2, 2014	-250,000	-0.09	24,430,473	8.38
	May 9, 2014	-175,000	-0.06	24,255,473	8.32
	May 16, 2014	-853,815	-0.29	23,401,658	8.03
	May 23, 2014	-491,876	-0.17	22,909,782	7.86
	May 30, 2014	-916,000	-0.31	21,993,782	7.55
	June 6, 2014	-1,178,200	-0.40	20,815,582	7.14
	June 13, 2014	-55,000	-0.02	20,760,582	7.12
	June 30, 2014	-62,000	-0.02	20,698,582	7.10
	July 4, 2014	-525,000	-0.18	20,173,582	6.92
	July 25, 2014	-21,500	-0.01	20,152,082	6.91
	August 1, 2014	7,276	0.00	20,159,358	6.92
	August 1, 2014	-50,000	-0.02	20,109,358	6.90
	August 8, 2014	59,000	0.02	20,168,358	6.92
	August 14, 2014	14,000	0.00	20,182,358	6.92
	September 5, 2014	10,000	0.00	20,192,358	6.93
	September 12, 2014	10,000	0.00	20,202,358	6.93
	September 30, 2014	26,000	0.01	20,228,358	6.94
	September 30, 2014	-280,000	-0.10	19,948,358	6.84
	October 3, 2014	-300,000	-0.10	19,648,358	6.74
	October 10, 2014	-335,000	-0.11	19,313,358	6.63
	October 17, 2014	-161,000	-0.06	19,152,358	6.57
	October 24, 2014	-100,000	-0.03	19,052,358	6.54
	November 7, 2014	-30,000	-0.01	19,022,358	6.53
	November 21, 2014	-535,000	-0.18	18,487,358	6.34
	November 28, 2014	-542,406	-0.19	17,944,952	6.16
	December 5, 2014	-434,111	-0.15	17,510,841	6.01
	December 12, 2014	-849,500	-0.29	16,661,341	5.72
	December 19, 2014	-111,000	-0.04	16,550,341	5.68
	December 31, 2014	-205,600	-0.07	16,344,741	5.61
	January 9, 2015	-335,000	-0.11	16,009,741	5.49
	January 16, 2015	-359,000	-0.12	15,650,741	5.37
	January 30, 2015	-463,250	-0.16	15,187,491	5.20
	February 6, 2015	-674,000	-0.23	14,513,491	4.97
	February 13, 2015	-802,700	-0.28	13,710,791	4.70

(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 20, 2015	15,000	0.01	13,725,791	4.70
	February 20, 2015	-226,000	-0.08	13,499,791	4.63
	February 27, 2015	-779,700	-0.27	12,720,091	4.36
	March 6, 2015	63,000	0.02	12,783,091	4.38
	March 6, 2015	-200,000	-0.07	12,583,091	4.31
	March 13, 2015	520,000	0.18	13,103,091	4.49
	March 20, 2015	560,800	0.19	13,663,891	4.68
	March 27, 2015	185,200	0.06	13,849,091	4.74
	March 31, 2015	100,000	0.03	13,949,091	4.78
	At the end of the year (or on the date of separation, if separated during the year)			13,949,091	4.78
2.	**Stichting Pensioenfonds ABP**				
	At the beginning of the year	5,277,995	1.81	5,277,995	1.81
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	April 4, 2014	259,730	0.09	5,537,725	1.90
	May 2, 2014	81,263	0.03	5,618,988	1.93
	May 16, 2014	662,840	0.23	6,281,828	2.16
	July 4, 2014	-423,538	-0.15	5,858,290	2.01
	July 11, 2014	-73,102	-0.03	5,785,188	1.98
	July 18, 2014	77,478	0.03	5,862,666	2.01
	July 25, 2014	-372,311	-0.13	5,490,355	1.88
	August 1, 2014	-941,165	-0.32	4,549,190	1.56
	August 8, 2014	-178,698	-0.06	4,370,492	1.50
	August 29, 2014	27,686	0.01	4,398,178	1.51
	September 12, 2014	188,606	0.06	4,586,784	1.57
	September 30, 2014	490,749	0.17	5,077,533	1.74
	October 3, 2014	169,720	0.06	5,247,253	1.80
	October 10, 2014	196,781	0.07	5,444,034	1.87
	October 17, 2014	-474,165	-0.16	4,969,869	1.71
	October 24, 2014	-32,063	-0.01	4,937,806	1.69
	October 31, 2014	258,536	0.09	5,196,342	1.78
	November 7, 2014	29,980	0.01	5,226,322	1.79
	November 14, 2014	21,435	0.01	5,247,757	1.80
	November 21, 2014	271,699	0.09	5,519,456	1.89
	November 28, 2014	232,482	0.08	5,751,938	1.97
	December 5, 2014	43,862	0.02	5,795,800	1.99
	December 12, 2014	39,135	0.01	5,834,935	2.00
	December 19, 2014	289,671	0.10	6,124,606	2.10
	December 31, 2014	100,208	0.03	6,224,814	2.14
	January 16, 2015	-119,187	-0.04	6,105,627	2.09
	February 6, 2015	-228,769	-0.08	5,876,858	2.01

(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 13, 2015	-1,010,398	-0.35	4,866,460	1.67
	February 20, 2015	-176,730	-0.06	4,689,730	1.61
	February 27, 2015	-105,608	-0.04	4,584,122	1.57
	March 6, 2015	-75,506	-0.03	4,508,616	1.55
	March 13, 2015	-378,314	-0.13	4,130,302	1.41
	March 20, 2015	-50,888	-0.02	4,079,414	1.40
	March 27, 2015	93,295	0.03	4,172,709	1.43
	At the end of the year (or on the date of separation, if separated during the year)			4,172,709	1.43
3.	**Investec Global Strategy Fund A/c Asian Equity Fund**				
	At the beginning of the year	4,749,448	1.63	4,749,448	1.63
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	June 13, 2014	144,618	0.05	4,894,066	1.68
	July 11, 2014	153,694	0.05	5,047,760	1.73
	August 14, 2014	-751,024	-0.26	4,296,736	1.47
	August 22, 2014	-554,323	-0.19	3,742,413	1.28
	September 30, 2014	-1,178,761	-0.40	2,563,652	0.88
	November 7, 2014	65,173	0.02	2,628,825	0.90
	November 21, 2014	90,261	0.03	2,719,086	0.93
	December 19, 2014	-863,246	-0.30	1,855,840	0.64
	January 16, 2015	44,794	0.02	1,900,634	0.65
	January 30, 2015	42,735	0.01	1,943,369	0.67
	February 20, 2015	43,550	0.01	1,986,919	0.68
	February 27, 2015	79,037	0.03	2,065,956	0.71
	At the end of the year (or on the date of separation, if separated during the year)			2,065,956	0.71
4.	**Morgan Stanley Asia (Singapore) Pte Limited**				
	At the beginning of the year	4,616,647	1.58	4,616,647	1.58
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	April 4, 2014	-41,512	-0.01	4,575,135	1.57
	April 11, 2014	185,224	0.06	4,760,359	1.63
	April 18, 2014	-13,655	0.00	4,746,704	1.63
	May 2, 2014	10,000	0.00	4,756,704	1.63
	May 9, 2014	175,771	0.06	4,932,475	1.69
	May 16, 2014	113,383	0.04	5,045,858	1.73
	May 23, 2014	-182,599	-0.06	4,863,259	1.67
	May 30, 2014	-579,927	-0.20	4,283,332	1.47
	June 6, 2014	-3,262,431	-1.12	1,020,901	0.35
	June 13, 2014	-4,418	0.00	1,016,483	0.35
	June 20, 2014	-18,597	-0.01	997,886	0.34

(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
	June 30, 2014	9,700	0.00	1,007,586	0.35
	July 4, 2014	-9,544	0.00	998,042	0.34
	July 11, 2014	23,722	0.01	1,021,764	0.35
	July 18, 2014	-29,606	-0.01	992,158	0.34
	July 25, 2014	10,692	0.00	1,002,850	0.34
	August 1, 2014	735,504	0.25	1,738,354	0.60
	August 8, 2014	23,411	0.01	1,761,765	0.60
	August 14, 2014	237,733	0.08	1,999,498	0.69
	August 22, 2014	115,569	0.04	2,115,067	0.73
	August 29, 2014	25,400	0.01	2,140,467	0.73
	September 5, 2014	30,522	0.01	2,170,989	0.74
	September 12, 2014	148,607	0.05	2,319,596	0.80
	September 19, 2014	45,746	0.02	2,365,342	0.81
	September 30, 2014	179,163	0.06	2,544,505	0.87
	October 3, 2014	10,140	0.00	2,554,645	0.88
	October 10, 2014	1,956	0.00	2,556,601	0.88
	October 17, 2014	206,866	0.07	2,763,467	0.95
	October 24, 2014	248,825	0.09	3,012,292	1.03
	October 31, 2014	95,043	0.03	3,107,335	1.07
	November 7, 2014	72,970	0.03	3,180,305	1.09
	November 14, 2014	-132,119	-0.05	3,048,186	1.05
	November 21, 2014	163,179	0.06	3,211,365	1.10
	November 28, 2014	140,399	0.05	3,351,764	1.15
	December 5, 2014	388,092	0.13	3,739,856	1.28
	December 12, 2014	6,848	0.00	3,746,704	1.29
	December 19, 2014	3,989,158	1.37	7,735,862	2.65
	December 19, 2014	-3,746,704	-1.29	3,989,158	1.37
	December 31, 2014	-836,457	-0.29	3,152,701	1.08
	January 9, 2015	3,182	0.00	3,155,883	1.08
	January 16, 2015	33,544	0.01	3,189,427	1.09
	January 23, 2015	20,605	0.01	3,210,032	1.10
	January 30, 2015	37,500	0.01	3,247,532	1.11
	February 6, 2015	144,767	0.05	3,392,299	1.16
	February 13, 2015	11,284	0.00	3,403,583	1.17
	February 20, 2015	2,574	0.00	3,406,157	1.17
	February 27, 2015	236,118	0.08	3,642,275	1.25
	March 6, 2015	27,450	0.01	3,669,725	1.26
	March 13, 2015	642	0.00	3,670,367	1.26
	March 20, 2015	-59,454	-0.02	3,610,913	1.24
	March 27, 2015	-150,825	-0.05	3,460,088	1.19
	March 31, 2015	-58,346	-0.02	3,401,742	1.17
	At the end of the year (or on the date of separation, if separated during the year)			3,401,742	1.17

(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
5.	**Morgan Stanley Mauritius Company Limited**				
	At the beginning of the year	4,401,013	1.51	4,401,013	1.51
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	April 4, 2014	-330	0.00	4,400,683	1.51
	April 11, 2014	509,633	0.17	4,910,316	1.68
	April 18, 2014	69,886	0.02	4,980,202	1.71
	April 25, 2014	605,217	0.21	5,585,419	1.92
	May 2, 2014	191,326	0.07	5,776,745	1.98
	May 9, 2014	-52,942	-0.02	5,723,803	1.96
	May 16, 2014	-53,855	-0.02	5,669,948	1.95
	May 23, 2014	302,498	0.10	5,972,446	2.05
	May 30, 2014	337,000	0.12	6,309,446	2.16
	June 6, 2014	-339,660	-0.12	5,969,786	2.05
	June 13, 2014	-276,472	-0.09	5,693,314	1.95
	June 20, 2014	-66,850	-0.02	5,626,464	1.93
	July 4, 2014	-111,734	-0.04	5,514,730	1.89
	July 11, 2014	-37,712	-0.01	5,477,018	1.88
	July 18, 2014	-497,533	-0.17	4,979,485	1.71
	July 25, 2014	-9,500	0.00	4,969,985	1.71
	August 1, 2014	-1,000	0.00	4,968,985	1.70
	August 8, 2014	-71,571	-0.02	4,897,414	1.68
	August 14, 2014	-130,403	-0.04	4,767,011	1.64
	August 22, 2014	-19,303	-0.01	4,747,708	1.63
	August 29, 2014	-21,500	-0.01	4,726,208	1.62
	September 5, 2014	-2,098	0.00	4,724,110	1.62
	September 12, 2014	-146,917	-0.05	4,577,193	1.57
	September 19, 2014	-47,090	-0.02	4,530,103	1.55
	September 30, 2014	-1,485,471	-0.51	3,044,632	1.04
	October 3, 2014	-40,773	-0.01	3,003,859	1.03
	October 10, 2014	-76,735	-0.03	2,927,124	1.00
	October 17, 2014	-15,751	-0.01	2,911,373	1.00
	October 31, 2014	-738,778	-0.25	2,172,595	0.75
	November 7, 2014	-379,989	-0.13	1,792,606	0.62
	November 14, 2014	-651,429	-0.22	1,141,177	0.39
	November 21, 2014	-229,715	-0.08	911,462	0.31
	November 28, 2014	-39,473	-0.01	871,989	0.30
	December 5, 2014	-79,900	-0.03	792,089	0.27
	December 12, 2014	-65,725	-0.02	726,364	0.25
	December 19, 2014	721,867	0.25	1,448,231	0.50
	December 19, 2014	-726,364	-0.25	721,867	0.25
	December 31, 2014	-34,188	-0.01	687,679	0.24

(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 2, 2015	-7,609	0.00	680,070	0.23
	January 16, 2015	-6,859	0.00	673,211	0.23
	January 23, 2015	-11,351	0.00	661,860	0.23
	February 6, 2015	-120	0.00	661,740	0.23
	February 13, 2015	-3,500	0.00	658,240	0.23
	February 20, 2015	-69,865	-0.02	588,375	0.20
	February 27, 2015	41,879	0.01	630,254	0.22
	March 6, 2015	109,609	0.04	739,863	0.25
	March 13, 2015	-72,358	-0.02	667,505	0.23
	March 20, 2015	-131,250	-0.04	536,255	0.18
	March 27, 2015	-1,025	0.00	535,230	0.18
	March 31, 2015	21,250	0.01	556,480	0.19
	At the end of the year (or on the date of separation, if separated during the year)			556,480	0.19
6.	**Jhunjhunwala Rakesh Radheshyam**				
	At the beginning of the year	4,250,000	1.46	4,250,000	1.46
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	June 6, 2014	-500,000	-0.17	3,750,000	1.29
	July 11, 2014	-250,000	-0.09	3,500,000	1.20
	September 30, 2014	-250,000	-0.09	3,250,000	1.12
	February 13, 2015	250,000	0.09	3,500,000	1.20
	February 27, 2015	250,000	0.09	3,750,000	1.29
	At the end of the year (or on the date of separation, if separated during the year)			3,750,000	1.28
7.	**Caduceus Capital Master Mauritius Limited**				
	At the beginning of the year	1,934,000	0.66	1,934,000	0.66
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	August 1, 2014	-398,000	-0.14	1,536,000	0.53
	March 31, 2015			1,536,000	0.53
8.	**Reliance Life Insurance Company Limited**				
	At the beginning of the year	1,907,920	0.65	1,907,920	0.65
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	April 4, 2014	-107	0.00	1,907,813	0.65
	April 11, 2014	-4,605	0.00	1,903,208	0.65
	April 18, 2014	-17,496	-0.01	1,885,712	0.65
	April 25, 2014	7,190	0.00	1,892,902	0.65
	May 2, 2014	6,074	0.00	1,898,976	0.65
	May 9, 2014	38,768	0.01	1,937,744	0.66

(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
	May 16, 2014	-13,959	0.00	1,923,785	0.66
	May 23, 2014	-236,486	-0.08	1,687,299	0.58
	May 30, 2014	-64,574	-0.02	1,622,725	0.56
	June 6, 2014	-295,310	-0.10	1,327,415	0.46
	June 13, 2014	-203,667	-0.07	1,123,748	0.39
	June 20, 2014	-122,622	-0.04	1,001,126	0.34
	June 30, 2014	-641,596	-0.22	359,530	0.12
	July 4, 2014	-331,469	-0.11	28,061	0.01
	July 11, 2014	-28,058	-0.01	3	0.00
	July 18, 2014	-3	0.00	–	–
	At the end of the year (or on the date of separation, if separated during the year)			–	–
9.	**Swiss Finance Corporation (Mauritius) Limited**				
	At the beginning of the year	1,847,030	0.63	1,847,030	0.63
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	April 4, 2014	103,337	0.04	1,950,367	0.67
	April 11, 2014	211,775	0.07	2,162,142	0.74
	April 18, 2014	109,558	0.04	2,271,700	0.78
	May 2, 2014	-27,578	-0.01	2,244,122	0.77
	May 9, 2014	-196,004	-0.07	2,048,118	0.70
	May 16, 2014	-147,157	-0.05	1,900,961	0.65
	May 23, 2014	-62,061	-0.02	1,838,900	0.63
	May 30, 2014	-244,783	-0.08	1,594,117	0.55
	June 6, 2014	-316,091	-0.11	1,278,026	0.44
	June 13, 2014	-86,000	-0.03	1,192,026	0.41
	June 20, 2014	-35,400	-0.01	1,156,626	0.40
	June 30, 2014	-285,500	-0.10	871,126	0.30
	July 4, 2014	6,195	0.00	877,321	0.30
	July 11, 2014	4,365	0.00	881,686	0.30
	July 18, 2014	-500	0.00	881,186	0.30
	August 1, 2014	174,142	0.06	1,055,328	0.36
	August 8, 2014	108,177	0.04	1,163,505	0.40
	August 14, 2014	9,500	0.00	1,173,005	0.40
	August 22, 2014	3,437	0.00	1,176,442	0.40
	August 29, 2014	200,095	0.07	1,376,537	0.47
	September 5, 2014	24,105	0.01	1,400,642	0.48
	September 12, 2014	-51,777	-0.02	1,348,865	0.46
	September 19, 2014	-78,878	-0.03	1,269,987	0.44

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
	September 30, 2014	-603,827	-0.21	666,160	0.23
	October 10, 2014	1,496	0.00	667,656	0.23
	October 17, 2014	7,606	0.00	675,262	0.23
	October 24, 2014	7,500	0.00	682,762	0.23
	October 31, 2014	-14,000	0.00	668,762	0.23
	November 7, 2014	-3,195	0.00	665,567	0.23
	November 14, 2014	-101,250	-0.03	564,317	0.19
	November 21, 2014	-268,750	-0.09	295,567	0.10
	November 28, 2014	25,911	0.01	321,478	0.11
	December 5, 2014	-34,446	-0.01	287,032	0.10
	December 12, 2014	126,533	0.04	413,565	0.14
	December 19, 2014	5,602	0.00	419,167	0.14
	December 31, 2014	162,412	0.06	581,579	0.20
	January 2, 2015	-1,176	0.00	580,403	0.20
	January 9, 2015	-14,306	0.00	566,097	0.19
	January 16, 2015	8,550	0.00	574,647	0.20
	January 23, 2015	-12,480	0.00	562,167	0.19
	January 30, 2015	-3,613	0.00	558,554	0.19
	February 6, 2015	51,826	0.02	610,380	0.21
	February 13, 2015	-58,021	-0.02	552,359	0.19
	February 20, 2015	-26,463	-0.01	525,896	0.18
	February 27, 2015	-100,577	-0.03	425,319	0.15
	March 6, 2015	32,824	0.01	458,143	0.16
	March 13, 2015	2,882	0.00	461,025	0.16
	March 20, 2015	-401,750	-0.14	59,275	0.02
	March 27, 2015	39,406	0.01	98,681	0.03
	March 31, 2015	2,500	0.00	101,181	0.03
	At the end of the year (or on the date of separation, if separated during the year)			101,181	0.03
10.	**Acadian Emerging Markets Equity II Fund LLC**				
	At the beginning of the year	1,705,050	0.59	1,705,050	0.59
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) May 2, 2014	129,606	0.04	1,834,656	0.63
	May 16, 2014	89,260	0.03	1,923,916	0.66
	July 18, 2014	176,901	0.06	2,100,817	0.72
	August 1, 2014	77,931	0.03	2,178,748	0.75
	At the end of the year (or on the date of separation, if separated during the year)			2,178,748	0.75

Note: The increase/decrease in the shareholding of top 10 shareholders as stated above during the year were by way of transfer(s).

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				
a.	Mr. K. Ragunathan	–	–	–	–
	At the end of the year	–	–	–	–
b.	Mr. K. Nithyananda Reddy	13,762,350	4.72	13,762,350	4.71
	At the end of the year			13,762,350	4.71
c.	Mr. N. Govindarajan	1,25,000	0.04	125,000	0.04
	November 10, 2014 - Transfer	-50,000	0.02	75,000	0.03
	January 17, 2015 - Allotment under ESOP	125,000	0.04	200,000	0.07
	At the end of the year			200,000	0.07
d.	Dr. M. Sivakumaran	7,345,680	2.52	7,345,680	2.52
	At the end of the year	7,345,680	2.52	7,345,680	2.52
e.	Mr. M. Madan Mohan Reddy	1,005	–*	1,005	–*
	At the end of the year			1,005	–*
f.	Mr. P.V. Ramprasad Reddy	19,481,440	6.68	19,481,440	6.68
	March 24, 2015 - Transfer	-10,481,440	3.60	9,000,000	3.08
g.	Dr. D. Rajagopala Reddy	–	–	–	–
	At the end of the year	–	–	–	–
h.	Mr. M. Sitarama Murty	–	–	–	–
	At the end of the year	–	–	–	–
i.	Mr. P. Sarath Chandra Reddy	16,390	0.01	16,390	0.01
	At the end of the year			16,390	0.01
j.	Dr.(Mrs.) Avnit Bimal Singh	–	–	–	–
	At the end of the year	–	–	–	–
	Key Managerial Personnel				
a.	Mr. S. Subramanian	1,163	–*	1,163	–*
	At the end of the year			1,163	–*
b.	Mr. A. Mohan Rami Reddy	625	–*	625	–*
	On April 2, 2014 Transfer	-600	–*	25	–*
	On March 12, 2015 - Allotment under ESOP	937	–*	962	–*
	At the end of the year			962	–*

* Negligible percentage of total shares of the Company.

V. 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	20,700.6	8,551.0	–	29,251.6
ii. Interest due but not paid	–	–	–	–
iii. Interest accrued but not due	110.8	–	–	110.8
Total (i+ii+iii)	20,811.4	8,551.0	–	29,362.4
Change in indebtedness during the financial year				
• Addition	–	5,456.2	–	5,456.2
• Reduction	-1,884.0	–	–	-1,884.0
Net change				3,572.2
Indebtedness at the end 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	–	32,934.6

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
		K. Nithyananda Reddy	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	9.00	15.86	9.00	9.00	42.86
	b. Value of perquisites under Section 17(2) of the Income Tax Act, 1961	1.44	3.78	1.45	1.47	8.14
	c. Profits in-lieu of salary under Section 17(3) of the Income tax Act, 1961	–	–	–	–	–
2.	Stock option	–	124.60	–	–	124.60
3.	Sweat equity	–	–	–	–	–
4.	Commission					
	- as % of profit	–	40.00	–	–	40.00
	- others	–	–	–	–	–
5.	Others - Contribution to PF	0.02	0.02	0.02	0.02	0.08
	Total (A)	**10.46**	**184.26**	**10.47**	**10.49**	**215.68**
	Ceiling as per the Act million (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					2,010.0

Remuneration of Directors and Key Managerial Personnel (Contd.)

B. Remuneration to other directors (₹ Million)

Sl. No.	Particulars of remuneration	Name of Directors					Total amount
1.	Independent Directors	Mr. K. Ragunathan	Mr. M. Sitarama Murty	Dr. D. Rajagopala Reddy	Dr. C. Channa Reddy*	Dr. (Mrs.) Avnit Bimal Singh	
	Fees for attending board/ committee meetings	0.62	0.42	0.60	0.15	–	1.79
	Commission	–	–	–	–	–	–
	Others	–	–	–	–	–	–
	Total (1)	**0.62**	**0.42**	**0.60**	**0.15**	**–**	**1.79**
2.	Other Non-Executive Directors	Mr. P.V. Ramprasad Reddy	Mr. P. Sarath Chandra Reddy				
	Fees for attending board/ committee meetings	0.20	0.38				0.58
	Commission	–	–				–
	Others	–	–				–
	Total (2)	**0.20**	**0.38**				**0.58**
	Total (B) = (1+2)						**2.37**
	Total managerial remuneration (A+B)						**218.05**
	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)						2,211.0

* Resigned during the year.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (₹ Million)

Sl. No.	Particulars of remuneration	Key Managerial Personnel			Total
		Company Secretary	CFO		
		Mr. A. Mohan Rami Reddy	Mr. Sudhir B Singhi (upto June 30, 2014	Mr. S. Subramanian (w.e.f. July 1, 2014)	
1.	Gross salary				
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2.20	1.75	5.94	9.89
	b. Value of perquisites under Section 17(2) of the Income Tax Act, 1961	1.70	0.79	0.63	3.12
	c. Profits in-lieu of salary under Section 17(3) of the Income Tax Act, 1961	–	–	–	–
2.	Stock option	0.80	–	–	0.80
3.	Sweat equity	–	–	–	–
4.	Commission	–	–	–	–
5.	Others - Contribution to PF	0.02	–	0.01	0.03
	Total	**4.72**	**2.54**	**6.58**	**13.84**

VII. Penalties/punishment/compounding of offences

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

Annexure-5

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. The steps taken or impact on conservation of energy:

- Use of coal catalyst to improve steam to fuel ratio (improved boiler efficiency): 10% net savings in coal consumption;
- Installation of AP FRC panel for improvement of PF in API units;
- Use LED lights instead of MVL/CFL;
- Use of self cleaning filters and temperature controller with FRP cooling fan in cooling towers;
- Replacement of old rewinded motors with energy efficient new motors;
- Replacement of old transformers with energy saver transformers leading to saving of 5 to 8% of lighting load;
- Usage of MaxR100 oil usage in chilling plant: savings of 10% to 15 % in electricity;
- Usage of geothermal cooling system in place of cooling tower, focused on water saving.

ii. The steps taken by the Company for utilizing alternate sources of energy:

- Power trading through open access using wind/solar power

iii. Capital investment on energy conservation equipment:

Details	Remarks
Installation of energy efficient air compressor	Instead of old air compressor.
Desuperheater	Installation in main header of 25 & 30 TPH boiler.
Self cleaning filter	Maintain condenser & chiller in healthy condition, save power of compressor.
PTH	Maintain condenser & chiller in healthy condition, will save power of compressor.
Installation of new energy efficient pump	In place of old pumps.
Instruments for efficiency check	Checking the performance of system.
Biogas plant	Usage of food waste of canteen to generate energy.

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 actives, 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

	2014-15	2013-14
Capital	**416.4**	157.5
Recurring	**3,182.4**	2,550.5
Total R&D expenditure	**3,598.8**	2,708.0
As a % of total turnover	**4.37**	3.73

C. Foreign exchange earnings and outgo

The 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

	2014-15	2013-14
Foreign exchange earned		
Exports (FOB)	**62,514.1**	53,269.0
Others	**98.9**	150.7
	62,613.0	53,419.7
Foreign exchange outgo		
Imports	**23,271.7**	21,606.9
Others	**2,056.9**	1,644.3
	25,328.6	23,251.2

for and on behalf of he Board

K. Ragunathan
Chairman
DIN: 00523576

Hyderabad
May 28, 2015

Annexure-6

Secretarial Audit Report

for the financial year ended March 31, 2015

[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]
Maitrivihar, 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, 2015 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, 2015 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;

   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;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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 Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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

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.

Except in case of Board Meetings held on April 22, 2014, October 29, 2014, November 25, 2014, December 10, 2014 and March 12, 2015 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.

The Board Meetings held on April 22, 2014, October 29, 2014, November 25, 2014, December 10, 2014 and March 12, 2015 were called at a shorter notice to consider and transact some urgent matters and the Independent Directors of the Company have attended the said 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:

1. The Company has invested an amount to the tune of USD 6,011,720 outside India in its wholly owned subsidiary viz., Helix Healthcare B.V., The Netherlands.
2. The Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad has sanctioned the Scheme of Arrangement between Aurobindo Pharma Limited and Curepro Parenterals Limited and their respective shareholders and creditors ('Scheme') under Sections 391 to 394 of the Companies Act, 1956. The Scheme provides for transfer of injectables Unit IV of Aurobindo to Curepro, its wholly-owned subsidiary, with effect from the Appointed Date April 1, 2014.
3. The Company has acquired the assets of nutritional supplement maker, Natrol LLC and other affiliate entities ('Natrol') through its wholly owned subsidiary Aurobindo Pharma USA Inc. ('APUSA').
4. The Members of the Company at the Extra-ordinary General Meeting held on January 21, 2015 have approved the resolution under Section 62(1)(c) of the Companies Act, 2013 read with Section 42 and rules made there under and other applicable laws for raising an amount of USD 350 million by issuing equity shares of the Company.

S. Chidambaram

S. Chidambaram
Practicing Company Secretary:
FCS No. 3935
C P No: 2286

Hyderabad
May 28, 2015

Annexure-7

Annual Report of Corporate Social Responsibility activities

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.

   Promoting education, promoting preventive health care, eradicating hunger, poverty & malnutrition and preventive health care, making available safe drinking water, environmental sustainability, ecological balance & conservation of natural resources, rural sports and setting up old age homes etc.

   The CSR Policy has been placed on the Company's website at: http://www.aurobindo.com/about-us/corporate-governance.

   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. Ragunathan	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		
	2013-14	2012-13	2011-12
Net profit as per Section 198 of the Companies Act, 2013 for the preceding three financial years	16,054,997,357	6,305,113,154	(1,383,993,102)

4. a. Average net profit for three years : ₹ 6,992,039,136

   b. Prescribed CSR expenditure (2% of average net profit) : ₹ 139,840,783

5. Details of CSR spend for the financial year

   a. Total expenditure approved by Board : ₹ 135,254,942

   b. Total amount spent during the financial year : ₹ 81,307,147

   c. Total sanctioned amount yet to be spent : ₹ 53,947,795

   d. Total amount yet to be sanctioned : ₹ 4,585,841

   e. Total amount unspent : ₹ 58,533,636

   f. Purposes 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.	Vidya Volunteers salaries, construction of toilets in school under Swatch Bharat, repairing of schools, renovation of government high school, purchase of computers and uniforms to hearing impaired children, construction of government degree college (Patancheru).	Promoting education	Government primary & ZP high schools in Patancheru & Hatnoora Mandal (Medak District, Telangana) Pydibhimavaram (Srikakulam District, Andhra Pradesh); Rangareddy District, Telangana; Mahaboobnagar District, Telangana; Punjagutta (Hyderabad); Ramachandrapuram, (Patancheru Mandal, Medak District, Telangana) (Construction of school building wall)	12,321,274	12,321,274	12,321,274	Direct

(Contd.)

Purposes for which the amount was spent on CSR during the financial year *(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.	Organized medical camp & blood donation camp, donation to L V Prasad Eye Institute etc., and breath alcohol analyzers to RTA Office, paying public health maintenance expenses of Pydibhimavaram Gram Panchayat, purchase of fire tenders, construction of fire station.	Promoting preventive health care	Conducted medical camp at Varisam Village, Srikakulam District, Andhra Pradesh and Blood Donation Camp at Parsigutta, Hyderabad, Telangana; Donation to L V Prasad Eye Institute, Visakhapatnam, Breath analyzers to Ichapuram, Srikakulam District, Andhra Pradesh; Gundlamachnoor, Hatnoora Mandal, Medak District, Telengana (Fire tenders)	20,466,300	20,466,300	32,787,574	Medical Camp: Direct, Blood Donation Camp through NGO 'Jan Seva Sangh'
iii.	Aurobindo distributed food items to 7,000 families in 20 villages, 5,000 numbers of good quality blankets in 10 villages affected by 'Hudhud' cyclone, under disaster relief. And an additional reserve fund to be spent for cyclone affected villages in Srikakulam, Vizianagaram and Vishakapatnam Districts of Andhra Pradesh, Donation to Chief Minister Relief Fund - Hudhud Disaster; Construction of centralized kitchen, 2 food distribution vehicles under Bhojan Mitra (Feeding of food at government hospitals), all in Andhra Pradesh & Telangana.	Eradicating hunger, poverty & malnutrition and preventive health care.	Several villages of Srikakulam, Vizianagaram and Visakhapatnam Districts of Andhra Pradesh; Kyasaram, Chitkul, Bollaram Villages of Patancheru Mandal, Borapatla Village of Hatnoora Mandal, Kowdipally Village and Narsapur town of Narsapur Mandal, Medak District, Telangana; and, Pydibhimavaram Village, Ranasthalam Mandal of Srikakulam District of Andhra Pradesh.	20,752,205	20,752,205	53,539,779	Direct and Through Harikrishna Charitable Foundation
iv.	Aurobindo set up water purification project (RO) water plants with ATW cards and coin system, borewell, sintex tanks with pipelines, 3 phase motors, RO water plants	Making available safe drinking water	Siddipet town, surrounding two villages, bus stand & government hospital in Siddipet, Medak District, Telangana; BC Colony, Pydibhimavaram Village, Srikakulam District, Vijayanagaram District, Andhra Pradesh; Several villages in Patancheru Mandal, Medak District in Telangana; Macharam, Udanpur, Jedcherla Mandal, Mahaboobnagar Dist	16,343,607	16,343,607	69,883,386	Through NGO and Direct
v.	Conducted rural inter district level sports tournaments.	Promotion of rural sports	Eswarapuram,Gundlamachnoor Village,Hatnoora Mandal, Medak District, Telangana State.	50,000	50,000	69,933,386	Direct
vi.	Aurobindo has donated amount for 'Mission Kakatiya' which is meant for environmental sustainability, water management & ecological balance.	Environment sustainability, ecological balance & conservation of natural resources.	'Mission Kakatiya', Hyderabad, Telangana.	2,500,000	2,500,000	72,433,386	Direct

(Contd.)

Purposes for which the amount was spent on CSR during the financial year *(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
vii.	Laying & widening of village roads and construction of village sewage water drainage system in several villages for the rural development.	Rural development projects	Pydibhimavaram & Saragadapeta Villages of Ranasthalam Mandal, Srikakulam District, Andhra Pradesh; Borapatla, Gundlamachanoor Villages of Hatnoora Mandal, Medak District, Telangana.	6,010,241	6,010,241	78,443,627	Direct
viii.	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.	2,163,520	2,163,520	80,607,147	Direct
ix.	Contribution towards old age home expansion, (Maharishi Vanaprasthashram), is located at Nandigama Village, Patancheru Mandal, Medak District, Telangana.	Setting up old age homes.	Nandigama Village, Patancheru Mandal, Medak District, Telangana.	700,000	700,000	81,307,147	Direct
		TOTAL		**81,307,147**	**81,307,147**	**81,307,147**	

6. The Company could not spent 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 2015-16. The Company is making efforts to identify the projects for spending the unspent amount and the same will be spent in the financial year 2015-16 along with the amount to be spent for the financial year 2015-16.

7. We hereby confirm that the implementation and monitoring of CSR Policy, 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: DIN: 00050482

Hyderabad
May 28, 2015

Annexure-8

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	34.61:1
b.	Mr. N. Govindarajan, Managing Director	197.36:1
c.	Dr. M. Sivakumaran, Whole-time Direcetor	34.64:1
d.	Mr. M. Madan Mohan Reddy, Whole-time Director	34.71:1

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	0.14
b.	Mr. N. Govindarajan, Managing Director	0.56
c.	Dr. M. Sivakumaran, Whole-time Direcetor	0.10
d.	Mr. M. Madan Mohan Reddy, Whole-time Director	0.11
e.	Mr. S. Subramanian, Chief Financial Officer	8.00
f.	Mr. A. Mohan Rami Reddy, AVP(Legal) & Company Secretary	47.87

iii. The percentage increase in the median remuneration of employees in the financial year was 11.94%.

iv. The number of permanent employees on the rolls of the Company as on March 31, 2015 was 11,577.

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

Average increase in remuneration: 18.21%

Increase in net profit of the Company: 29.37%

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

Increase in remuneration of KMPs: 3.26%

Increase in net profit of the Company: 29.37%

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 over 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, 2015**		As at March 31, 2014	
Market capitalization (₹ Million)	**BSE**	**356,277**	BSE	148,891
	NSE	**356,686**	NSE	149,080
Price earning multiple	**BSE**	**23.46**	BSE	12.70
	NSE	**23.49**	NSE	12.71

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, 2015 the market price of the Company's share of ₹1 each (Closing price) is as under:

BSE Limited: ₹1,220.20

The National Stock Exchange of India Limited: ₹1,221.60

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 thre are any exceptional circumstances for increase in the managerial remuneration:

There are three Whole-time Directors and a Managing Director. There was no revision in remuneration paid to the Whole-time Directors and Managing Director except marginal incremental changes in perquisite values during the financial year ended March 31, 2015.

ix. Comparison of the each remuneration of 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, 2015
a.	Mr. K. Nithyananda Reddy, Vice Chairman & Whole-time Director	0.14	Net profit of the Company increased by 29.37%
b.	Mr. N. Govindarajan, Managing Director	0.56	
c.	Dr. M. Sivakumaran, Whole-time Direcetor	0.10	
d.	Mr. M. Madan Mohan Reddy, Whole-time Director	0.11	
e.	Mr. S. Subramanian, Chief Financial Officer	8.00	
f.	Mr. A. Mohan Rami Reddy, AVP(Legal) & Company Secretary	47.87	

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 upto 1% of the net profit of the Company subject to a ceiling of ₹4 crore for each financial year.

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

xi. The ratio of the remuneration of the hightest paid director to that of the employees who are not directors but receive remuneratin 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-8 (Contd.)

Financial year 2014-15

Sr. No.	Name	Designation	Remune-ration 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. Nithyananda Reddy	Vice Chairman & Whole-time Director	10.46	M.Sc, 28 years	1/1/1989	57	Tini Pharma Limited
2.	Dr. M. Sivakumaran	Whole-time Director	10.47	M.Sc, PhD., 42 Years	1/1/1989	72	TTK Pharma Limited
3.	Mr. M. Madan Mohan Reddy	Whole-time Director	10.49	M.Sc, 25 Years	27/5/2003	55	Ranit Pharma Limited
4.	Dr. A. Rama Mohana Rao	President - Corporate QA	12.89	Ph.D, 27 Years	7/5/2001	53	Biological E Limited
5.	Mr. Jain Anil Kumar	Chief Operating Officer - Operations	18.48	B.Tech., M.Tech., 23 Years	9/7/2002	48	Alembic Limited
6.	Mr. Sudhir B. Singhi	Head - Global Finance Operations	10.17	B.Com., C.A., I.C.W.A.I. 26 Years	23/3/2005	46	Procon Financials and Investiments Private Limited
7.	Dr. V. K. Handa	President - Chemical Research	23.22	PhD, 32 Years	1/1/1999	63	Ranbaxy Research Laboratories
8.	Dr. A. T. Bapuji	Senior Vice President - CPD-Bio	11.30	PhD, 23 Years	25/10/2004	48	Ranbaxy Research Laboratories
9.	Mr.V. Naga Prasad	Associate President - FRD	11.60	M.Pharm, 23 Years	16/3/2006	48	Ranbaxy Research Laboratories
10.	Dr. Karajgi Jayant	President - FRD	12.84	M.Pharm, PhD, 24 Years	2/9/2011	48	Famy Care Limited
11.	Dr. Kaiwar Vijay	Vice President-Business Development	6.12	M.Sc., PhD, 20 Years	2/9/2011	49	Jubilant Life Sciences Limited
12.	Dr. T. Chandiran	Senior Vice President - CRD	6.58	M.Sc., PhD, 22 Years	13/12/2012	51	Makhteshim-Agan India Private Limited
13.	Mr. N. Govindarajan	Managing Director	59.65	B.E., 25 Years	7/10/2010	46	Shasun Chemicals & Drugs Limited
14.	Mr. S. Subramanian	Chief Financial Officer	8.78	B.Sc., C.A., C.S., I.C.W.A.I., 29 Years	1/11/2013	54	RSB Global, Pune
15.	Mr. Singh Sanjay	Senior Vice President - Operations	12.23	M.B.A., 25 Years	28/3/2011	49	Cipla Limited
16.	Mr. Vasudeva Arvind	Chief Executive Officer - Formulations	23.27	M.Pharm, 32 Years	22/11/2012	55	Glenmark Pharma Limited
17.	Mr. Vaidyanathan Srinivasan	Senior Vice President - Supply Chain Management	7.95	B.Tech., 32 Years	13/3/2013	56	Glenmark Pharma Limited
18.	Dr. (Mrs.) Gita Rao	Senior Vice President - RAD-II	9.14	M.Sc., PhD, 19 Years	1/1/2004	48	Lupin Limited
19.	Dr. Sharma Hemanth Kumar	Senior Vice President - ARD	10.09	M.Sc., PhD, 21 Years	14/7/2000	47	Ranbaxy Research Labortories Limited
20.	Dr. Sumathi V. Rao	Vice President - FARD	8.04	M.Sc., PhD, 21 Years	17/5/2004	47	Wockhardt Limited
21.	Mr. Jacob Joseph	Senior Vice President - Operations	6.56	M.Sc., 29 Years	14/5/1998	53	Asiatic Drugs & Pharmaceuticals (Private) Limited
22.	Dr. Chaturvadi Sanjay*	Senior Vice President - Marketing	8.60	M.Sc., PhD, 19 Years	30/5/2014	45	IZEE Pharma
23.	Mr. Shastry Mukund Ramaswamy*	Vice President - Business Development	7.07	P.G.D.M., 23 Years	10/4/2014	44	Glenmark Pharmaceuticals Limited
24.	Mr. Biyani Ram Sankar*	Senior Vice President - Operations	5.85	B.Pharm, 29 Years	1/10/2012	46	Aurolife Pharma, U.S.A.

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

K. Ragunathan
Chairman
DIN: 00523576

Hyderabad
May 28, 2015

Annexure-9

Details of stock options

[Pursuant to SEBI Regulations read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 on stock options]

DESCRIPTION	PLAN 2006
Number of options available under the Scheme	3,995,250
Total number of options granted	3,240,500
Number of options vested	1,049,375
Options exercised	860,985
The total number of shares arising as a result of exercise of options	860,985
Options lapsed	823,370
Exercise price	
December 16, 2011	₹91.60
January 9, 2013	₹200.70
January 28, 2013	₹187.40
August 28, 2013	₹161.30
Variation of terms of options	Nil
Money realized by exercise of options (₹)	110,367,329
Total number of options in force	1,556,145
Employeewise details of options granted to: i. key managerial personnel;	No options were granted during the year
ii. any other employee who receives a grant of options in any one year of option amounting to five per cent or more of options granted during the year;	Nil
iii. identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant;	Nil
Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20	
i. Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the intrinsic value of the stock options.
	The grant price is the market price prevailing on the grant date. Therefore, there will be no compensation cost as per Intrinsic Value basis.

(Contd..)

DESCRIPTION	PLAN 2006		
ii. Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options	(₹)	23,561,810	
iii. The impact of the difference on profits and on EPS of the Company	(₹)	PAT	15,163,509,141
	(₹)	Less: Additional cost based on Fair Value	23,561,810
	(₹)	Adjusted PAT	15,139,947,331
	(₹)	Adjusted EPS	51.93

Note: The equity share of ₹5 each was split into five equity shares of ₹1 each with effect from February 11, 2011. The number of shares, number of options, grant price, weighted average exercise price, weighted average fair value and closing market price at NSE mentioned herein is taken after giving effect to the split.

For and on behalf of the Board

K. RAGUNATHAN
Chairman
DIN: 00523576

Hyderabad
May 28, 2015

AUROBINDO

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE 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. Hence, efforts are made to raise 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, 2015 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, 2015

Name	Category	Number of Board Meetings attended	Attendance at the last AGM held on August 27, 2014	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	8	Yes	1	–	–	–
Mr. K. Nithyananda Reddy	Promoter and Executive	8	Yes	9	–	3	13,762,350
Mr. N. Govindarajan	Executive	9	Yes	7	–	–	200,000
Dr. M. Sivakumaran	Executive	9	Yes	3	–	–	7,345,680
Mr. M. Madan Mohan Reddy	Executive	7	Yes	9	–	–	1,005
Mr. P.V. Ramprasad Reddy	Promoter and Non-Executive	4	No	2	–	–	9,000,000
Mr. P. Sarath Chandra Reddy	Non-Executive, Non-Independent	6	No	10	–	2	16,390
Mr. M. Sitarama Murty	Non-Executive, Independent	5	Yes	1	1	–	–
Dr. D. Rajagopala Reddy	Non-Executive, Independent	8	Yes	2	–	–	–
Dr. (Mrs.) Avnit Bimal Singh	Non-Executive, Independent	–	NA	–	–	–	–

Note:
1. Other directorships are exclusive of Indian private limited companies, foreign companies and Companies incorporated under Section 8 of the Companies Act, 2013.
2. For committee positions, only audit and stakeholders relationship committees of public limited companies have been considered as per Clause 49 of the Listing Agreement.
3. Leave of absence was granted on request to those directors who could not attend the meeting(s).
4. Dr. C. Channa Reddy, an independent non executive director has resigned from the Board with effect from January 27, 2015. He attended 3 out of 7 Board Meetings held during his tenure and also attended the Annual General Meeting.
5. Dr. (Mrs.) Avnit Bimal Singh has been appointed as an Additional Director (Independent, Non-Executive) by the Board of Directors of the Company with effect from March 25, 2015.

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

Date of Meeting	Board Strength	No. of Directors Present
April 22, 2014	10	7
May 30, 2014	10	7
August 7, 2014	10	10
October 29, 2014	10	5
November 6, 2014	10	8
November 25, 2014	10	9
December 10, 2014	10	6
February 4, 2015	9	8
March 12, 2015	9	7

Details of Director proposed for appointment at the Annual General Meeting

Dr. (Mrs.) Avnit Bimal Singh, aged 51 years, was appointed as an Additional Director from March 25, 2015 and is a 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. She is not holding any other directorships and not holding any shares in the Company.

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

Mr. P. Sarath Chandra Reddy and Dr. M. Sivakumaran retire by rotation and being eligible, seek reappointment.

Mr. K. Nithyananda Reddy, Dr. M. Sivakumaran and Mr. M. Madan Mohan Reddy are proposed to be re-appointed as Whole-time Directors of the Company.

Mr. N. Govindarajan is proposed to be re-appointed as Managing Director of the Company.

Mr. P. Sarath Chandra Reddy, aged 30 years, is a graduate in Business Administration. He is a second generation entrepreneur experienced in general management and has expertise in project executions. He is presently Whole-time Director of Axis Clinicals Limited and a Director in Trident Chemphar Limited, Axis Clinicals India Limited, Auryn Labs Limited and PVR Holdings Private Limited. He is also a director in subsidiary companies of Aurobindo Pharma Limited viz. APL Healthcare Limited, Auro Peptides Limited, Curepro Parenterals Limited, Auronext Pharma Private Limited and Tergene Biotech Private Limited. He holds 16,390 equity shares of ₹1 each in the Company.

Dr. M. Sivakumaran, aged 72 years, presently is a Whole-time Director of the Company. He holds a Master's Degree in Science and has been awarded a PhD in Organic Chemistry. He has about 42 years of experience in the pharmaceutical industry. He is responsible for the technological evolution of the Company. Dr. M. Sivakumaran looks after research and development, generic product development and total quality management. He is a Director on the boards of the subsidiaries of Aurobindo Pharma Limited viz. APL Research Centre Limited, APL Healthcare Limited and Tergene Biotech Private Limited. He holds 7,345,680 equity shares of ₹1 each in the Company.

Mr. K. Nithyananda Reddy, aged 57 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 13,762,350 equity shares of ₹1 each in the Company.

Mr. M. Madan Mohan Reddy, aged 55 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 25 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 1,005 equity shares of ₹1 each in the Company.

Mr. N. Govindarajan, aged 46 years, presently is Managing Director of the Company. He is a B.E. (Mechanical) from Annamalai University. He has more than 25 years of experience across a variety of domains such as active pharmaceutical ingredients, CRAMS, finished dosages & biotechnology. Mr. N. Govindarajan is overseeing active pharmaceutical ingredients operations and CRAMS development business of the Company. He is a Director on the boards of the subsidiaries of Aurobindo Pharma Limited viz. Auro Peptides Limited, Aurobindo Antibiotics Limited, Eugia Pharma Specialities Limited, AuroZymes Limited, Auronext Pharma Private Limited, Silicon Life Sciences Private Limited and Hyacinths Pharma Private Limited. The Company has granted 500,000 options under ESOP 2006 Scheme which would entitle him to convert the same into 500,000 equity shares of ₹1 each as per the said Scheme. He has so far exercised 250,000 options and got allotment of 250,000 equity shares of ₹1 each. As on March 31, 2015 he was holding 200,000 shares and as on the date of report 150,000 equity shares of ₹1 each.

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 process, 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 Clause 49 of the Listing Agreement 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 there on;
- 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 Listing Agreement 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.

During the year, the Audit Committee met five times on May 30, 2014; August 7, 2014; November 6, 2014; February 4, 2015 and March 30, 2015.

The attendance at the Audit Committee meetings during the financial year 2014-15 is as under:

Name of the Committee Member	No. of Meetings	Attendance
Mr. M. Sitarama Murty	5	4
Mr. K. Ragunathan	5	4
Dr. D. Rajagopala Reddy	5	4

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 Mr. K. Ragunathan are other Members of the Committee. During the year, the Nomination and Remuneration/Compensation Committee met two times on May 30, 2014 and March 12, 2015.

The attendance at the Nomination and Remuneration/Compensation Committee meetings during the financial year 2014-15 is as under:

Name of the Committee Member	No. of Meetings	Attendance
Dr. D. Rajagopala Reddy	2	2
Mr. M. Sitarama Murty	2	2
Dr. C. Channa Reddy	2	1
Mr. K. Ragunathan	2	1

Note: 1. Dr. C. Channa Reddy ceased to be a member of the Nomination and Remuneration/Compensation Committee with effect from January 27, 2015. He attended one Meeting held during his tenure.

2. Mr. K. Ragunathan was appointed as a member of Nomination and Remuneration/Compensation Committee with effect from February 4, 2015. He attended one Meeting held after his appointment.

Nomination/Remuneration Policy

The compensation of the Executive Directors comprises of fixed component, perquisites and commission. The compensation 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

Details of remuneration paid to Directors during the financial year 2014-15

a. Executive Directors

₹

Name	Salary	Perquisites	Contribution to P.F.	Total
Mr. K. Nithyananda Reddy	9,000,000	1,444,809	16,500	10,461,309
Dr. M. Sivakumaran	9,000,000	1,453,011	16,500	10,469,511
Mr. M. Madan Mohan Reddy	9,000,000	1,474,815	16,500	10,491,315
Mr. N. Govindarajan*	15,859,500	3,776,753	16,500	19,652,753
TOTAL	42,859,500	8,149,388	66,000	51,074,888

* Mr. N. Govindarajan, Managing Director was paid ₹4 crore as commission for the year 2014-15, in addition to the above remuneration.

b. Non-Executive Directors

Sitting fee of ₹50,000 is being paid 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 fees
Mr. M. Sitarama Murty	420,000
Mr. P. Sarath Chandra Reddy	375,000
Mr. K. Ragunathan	620,000
Dr. D. Rajagopala Reddy	600,000
Dr. C. Channa Reddy	145,000
Mr. P.V. Ramprasad Reddy	200,000

Independent Directors meeting

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the management.

All the independent directors of the Company shall strive to be present at such meetings. The meeting shall review the performance of non-independent directors and the Board as a whole; review the performance of the chairman of the board, taking into account the views of the executive directors and non-executive directors; assess the quality, quantity and timeliness of flow of information between the management and the board that is necessary for it to effectively and reasonably perform its duties. A meeting of the independent directors was held on March 12, 2015 wherein all the independent directors as on that date have attended the meeting.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition

The Committee consists of the following directors:

Mr. P. Sarath Chandra Reddy, a Non-Executive Director is the Chairman of the Committee and the other members of the Committee are Mr. K. Nithyananda Reddy, Mr. M. Madan Mohan Reddy and Dr. D. Rajagopala Reddy.

Terms of reference

Stakeholders Relationship Committee oversees and reviews all matters connected with securities transfers and also looks into redressing of shareholders complaints like transfer of shares, non receipt of annual reports/dividends etc.

Name and designation of Compliance Officer

Mr. A. Mohan Rami Reddy, AVP (Legal) & Company Secretary

E-mail ID for investor grievances: Investorgrievances@aurobindo.com

Investor Complaints

During the year ended March 31, 2015, the Company has received and resolved 158 complaints and there were no pending complaints at the year end.

Number of complaints not resolved to the satisfaction of shareholders is Nil.

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. Accordingly, the Board on April 22, 2014, constituted the CSR Committee comprising:

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.

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.

General Body Meetings

1. Details of the last three Annual General Meetings is as under:

Year	Location	Date	Time	No. of Special Resolutions passed
2012	Katriya Hotel & Towers, Hyderabad	August 7, 2012	4.00 p.m.	5
2013	Taj Deccan, Hyderabad	August 7, 2013	4.00 p.m.	Nil
2014	Taj Deccan, Hyderabad	August 27, 2014	3.00 p.m.	Nil

An Extraordinary General Meeting of members of the Company was held on January 21, 2015 wherein the Members have approved a Special Resolution pursuant to Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 and rules made there under and other applicable acts, rules and regulations to issue shares of the Company to Qualified Institutional Buyers (QIB) under Qualified Institutions Placement (QIP).

2. Special Resolution passed last year through postal ballot:

A Special Resolution was passed through postal ballot vide notice dated June 23, 2014 to seek approval of Members for authorization to the Board of Directors pursuant to Section 180(1)(a) of the Companies Act, 2013 to create mortgage/ charge/pledge/hypothecate the properties of the Company for securing loans etc.

The details of voting pattern for postal ballot are given below:

Promoter/Public	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	158,675,786	158,672,096	99.99	158,672,096	–	100.00	–
Public - Institutional holders	102,561,377	66,822,631	65.15	66,822,631	–	100.00	–
Public - Others	30,219,858	1,175,020	3.89	1,173,335	1,685	99.86	0.14
TOTAL	**291,457,021**	**226,669,747**		**226,668,062**	**1,685**		

The Board appointed Mrs. P. Renuka, Practicing Company Secretary (C.P. No.3460) as Scrutinizer to conduct the Postal Ballot voting process in a fair and transparent manner.

The procedure for Postal Ballot is 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.

Disclosures

CEO and CFO Certification

The Managing Director and Chief Financial Officer have submitted a certificate to the Board as contemplated under Clause 49 of the Listing Agreement.

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 Clause 49 of the listing agreement, 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.

Policy on Material Subsidiaries

In terms of Clause 49 of the listing agreement, 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.

Whistle Blower Policy

The Board of Directors of the Company had adopted the Whistle Blower policy. The Company has established a mechanism for employees 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 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.

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. Pursuant to 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 being 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 monitoring the various risks the Company is exposed to and initiate appropriate mitigating measures on an ongoing basis.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with the mandatory requirements of Clause 49 and is in the process of implementation of non-mandatory requirements.

Details about familiarization programme

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/about-us/corporate-governance.

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.

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, analysts are placed on the Company's website www.aurobindo.com.

The Management Discussion and Analysis forms part of this Report and is provided separately in the Annual Report.

GENERAL SHAREHOLDERS INFORMATION

28th Annual General Meeting

As mentioned in the Notice, the 28th Annual General Meeting of the Company will be held on Thursday, August 27, 2015 at 3.00 p.m. at Taj Deccan, Road No.1, Banjara Hills, Hyderabad - 500 034.

Quarterly Results

The financial year of the Company is April to March.

Financial calendar (tentative and subject to change) of the financial year 2015-16 is as follows:

Unaudited Financial results for	On or before
1st Quarter	August 14, 2015
2nd Quarter	November 14, 2015
3rd Quarter	February 14, 2016
4th Quarter	May 30, 2016

Book Closure

From August 25, 2015 to August 27, 2015 (both days inclusive) for the purpose of Annual General Meeting.

Payment of Dividend

The Company has paid an interim dividend of 150% (₹1.50 per equity share of ₹1 each) in the month of September 2014 and a second interim dividend of 200% (₹2.00 per equity share of ₹1 each) in the month of February, 2015 on the equity share capital of the Company for the year 2014-15. The Board of Directors of the Company at its meeting held on May 28, 2015 has approved third interim dividend of 100% (₹1 per equity share of ₹1 each) on the equity share capital of the Company for the year 2014-15. Thus the total dividend, including the third interim dividend for the year ended March 31, 2015 will aggregate to 450% (₹4.50 per equity share of ₹1 each) on the equity share capital of the Company for the year 2014-15. The Board of Directors do not recommend any further dividend for the year 2014-15.

Listing Details

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 2015-16 has been paid to both the stock exchanges.

ISIN: INE406A01037

Monthly high & low quotations and volume of shares traded on NSE during the year

		NSE (₹)				S & P CNX Nifty	
	Month	High	Low	Close	Volume	High	Low
2014	April	593.70	509.00	573.10	49,640,575	6869.85	6650.40
	May	679.80	573.20	669.80	55,008,650	7563.50	6638.55
	June	782.20	619.05	740.85	34,491,856	7700.05	7239.50
	July	787.30	644.45	712.20	37,947,599	7840.95	7422.15
	August	834.95	698.10	817.55	30,387,196	7968.25	7540.10
	September	980.70	763.00	968.25	45,325,652	8180.20	7841.80
	October	1,002.30	875.00	968.45	25,049,406	8330.75	7723.85
	November	1,152.40	957.40	1,090.85	26,630,886	8617.00	8290.25
	December	1,172.00	1,010.20	1,135.70	22,345,267	8626.95	7961.35
2015	January	1,252.00	1,080.00	1,247.75	15,123,627	8966.65	8065.45
	February	1,273.30	930.00	1,083.45	31,753,716	8941.10	8470.50
	March	1,279.80	1,053.80	1,221.60	31,421,968	9119.20	8269.15

Monthly high & low quotations and volume of shares traded on BSE during the year

		BSE (₹)				BSE Sensex	
	Month	High	Low	Close	Volume	High	Low
2014	April	594.00	509.50	573.50	5,763,464	22939.31	22197.51
	May	678.40	575.00	667.70	4,985,418	25375.63	22277.04
	June	782.05	619.85	741.60	3,715,593	25725.12	24270.20
	July	786.50	644.65	712.95	4,049,870	26300.17	24892.00
	August	834.65	698.00	817.95	3,278,506	26674.38	25232.82
	September	979.80	765.00	966.85	4,330,488	27354.99	26220.49
	October	1,000.80	887.30	968.75	2,366,040	27894.32	25910.77
	November	1,151.70	958.20	1,092.80	2,269,869	28822.37	27739.56
	December	1,171.20	1,010.70	1,136.40	1,478,442	28809.64	26469.42
2015	January	1,251.85	1,078.80	1,248.10	1,201,030	29844.16	26776.12
	February	1,275.00	981.00	1,083.70	2,664,259	29560.32	28044.49
	March	1,279.05	1,055.95	1,220.20	2,826,606	30024.74	27248.45

Registered Office
Aurobindo Pharma Limited,
(CIN - L24239TG1986PLC015190)
Plot No.2, Maitrivihar, Ameerpet,
Hyderabad - 500 038, Telangana
Phone : +91 40 2373 6370
Fax : +91 40 2374 7340
E-mail : info@aurobindo.com

Corporate Office
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

Name & Designation of Compliance Officer
Mr. A. Mohan Rami Reddy
AVP (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

Contact address for investor grievances
E-mail: investorgrievances@aurobindo.com

Address for correspondence/Investor Service Centre
M/s. Karvy Computershare Private Limited 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 & liquidity

The Company's shares are covered under the compulsory dematerialization list and are transferable through the depository system. The Company has appointed M/s. Karvy Computershare Private Limited 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 Stakeholders Relationship Committee reviews the same at regular intervals. Further, the Company has signed a tripartite agreement with NSDL/CDSL and M/s. Karvy Computershare Private Limited to facilitate dematerialization of shares. The Members may contact for the redressal of their grievances to either M/s. Karvy Computershare Private Limited or to the Company Secretary, Aurobindo Pharma Limited.

Distribution of shareholding as on March 31, 2015

Shareholding Nominal value From	To	Shareholders No.	%	Total Shares	Share amount Nominal value ₹	%
1 -	5000	74,209	98.72	12,477,243	12,477,243	4.27
5001 -	10000	293	0.39	2,237,426	2,237,426	0.77
10001 -	20000	194	0.26	2,798,090	2,798,090	0.96
20001 -	30000	69	0.09	1,767,428	1,767,428	0.61
30001 -	40000	58	0.08	2,054,228	2,054,228	0.70
40001 -	50000	34	0.05	1,546,415	1,546,415	0.53
50001 -	100000	103	0.14	7,607,359	7,607,359	2.61
100001 &	above	210	0.28	261,494,086	261,494,086	89.56
	TOTAL	**75,170**	**100.00**	**291,982,275**	**291,982,275**	**100.00**

Note: a. 12,010 shares are held in the Bonus Transit Pool Account.

b. 59,160 shares of 72 shareholders are under unclaimed shares account as on March 31, 2015. The outstanding shares are kept in suspense account and the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. The Company is in the process to resolve the matter.

Categories of shareholders as on March 31, 2015

Category	No. of Shares	%
Promoters, Directors & their relatives/associates	157,776,791	54.04
NRIs/FIIs/FDIs/OCBs	87,655,786	30.02
Government/Banks/FIs	181,669	0.06
Mutual Funds	17,988,239	6.16
Insurance companies	52,951	0.02
Bodies corporate	4,459,878	1.53
General public and others	23,866,961	8.17
TOTAL	**291,982,275**	**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.

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

Declaration

I, N. Govindarajan, Managing Director, hereby declare that as provided under Clause 49 of the Listing Agreement with the stock exchanges, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2015.

For Aurobindo Pharma Limited

N. Govindarajan
Managing Director

Hyderabad, May 28, 2015

Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

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, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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 of financial statements of the Company.

In my opinion and to the beset 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 mentioned Listing Agreement.

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 28, 2015

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, 2015 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	**S. Subramanian**
Hyderabad, May 28, 2015	Managing Director	Chief Financial Officer

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, 2015, 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. 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, 2015, 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, 2015 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 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, 2015 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act; and
   f. 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 29 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

per **VIKAS KUMAR PANSARI**
Partner
Membership No. 093649
Hyderabad, May 28, 2015

Annexure 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.

ii. a. The management has conducted physical verification of inventory at reasonable intervals during the year.

b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c. The Company is maintaining proper records of inventory and no material discrepancies were noted on 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 or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) 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, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

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. Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, 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, wealth tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Disputed Amount ₹	Paid under protest ₹	Period to which the amount relates	Forum where dispute is is pending
Central Excise and Customs Act, 1944	Excise duty and penalty	9,224,104	4,000,000	2007-08, 2008-09, 2009-10, 2010-11	CESTAT
	Customs duty and penalty	8,709,455	–	2002-03, 2003-04, 2004-05, 2005-06	Commissioner of Customs
	Excise duty	14,606,598	14,471,641	2005-06	Commissioner of Central Excise
	Interest	13,013,066	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
	Excise duty and penalty	13,029,452	2,569,008	2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13	CESTAT
	Excise duty	13,062,768	–	2011-12, 2012-13	CESTAT
	Excise duty and penalty	5,480,404	3,490,202	2008-09	CESTAT

(Contd.)

Name of the statute	Nature of dues	Disputed Amount ₹	Paid under protest ₹	Period to which the amount relates	Forum where dispute is is pending
	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	–	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
Finance Act, 1994	Service Tax	64,685	–	2006-07	CESTAT
	Service Tax	458,500	458,500	2007-08	CESTAT
	Service Tax	1,524,348	–	2006-07	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
Income Tax Act, 1961	Income Tax	283,446,583	–	2008-09	ITAT
	Income Tax	405,333,009	–	2009-10	ITAT
	Income Tax	330,121,258	–	2010-11	ITAT

d. According to the information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.

viii. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

ix. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

x. According to the information and explanations given to us, the Company has given guarantee for loans taken by wholly owned subsidiaries from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.

xi. Based on the information and explanations given to us by the Management, term loans were applied for the purpose for which the loans were obtained.

xii. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm's Registration Number: 101049W

per **VIKAS KUMAR PANSARI**
Partner
Membership No. 093649
Hyderabad, May 28, 2015

Balance Sheet as at March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Notes	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2	**292.0**	291.5
Reserves and surplus	3	**53,303.4**	39,832.4
		53,595.4	40,123.9
NON-CURRENT LIABILITIES			
Long-term borrowings	4	**6,871.6**	10,323.1
Deferred tax liabilities (Net)	5	**2,103.4**	2,052.5
Long-term provisions	6	**226.5**	83.0
		9,201.5	12,458.6
CURRENT LIABILITIES			
Short-term borrowings	7	**22,093.7**	17,825.5
Trade payables	8	**11,460.4**	12,361.6
Other current liabilities	9	**5,047.6**	1,923.9
Short-term provisions	6	**860.2**	1,061.8
		39,461.9	33,172.8
TOTAL		**102,258.8**	85,755.3
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	10		
Tangible assets		**21,900.1**	19,379.4
Intangible assets		**–**	–
Tangible assets - Capital work-in-progress		**2,271.9**	2,038.9
NON-CURRENT INVESTMENTS	11	**9,931.1**	8,725.9
Loans and advances	12	**4,189.4**	4,636.0
Other non-current assets	15	**285.5**	163.3
		38,578.0	34,943.5
CURRENT ASSETS			
Current investments	16	**196.4**	0.3
Inventories	17	**21,450.5**	17,118.1
Trade receivables	13	**37,089.4**	29,701.2
Cash and bank balances	18	**111.3**	97.2
Loans and advances	12	**4,008.5**	3,147.3
Other current assets	14	**824.7**	747.7
		63,680.8	50,811.8
TOTAL		**102,258.8**	85,755.3
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

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Hyderabad, May 28, 2015

For and on behalf of the Board of Directors of Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN: 00050482

Dr. M. Sivakumaran
Director
DIN: 01284320

Santhanam Subramanian
Chief Financial Officer

A. Mohan Rami Reddy
AVP (Legal) &
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

		Notes	**Year ended March 31, 2015**	Year ended March 31, 2014
INCOME	Revenue from operations (Gross)	19	**82,448.4**	72,695.3
	Less: Excise duty	41	**1,497.4**	1,588.2
	Revenue from operations (Net)		**80,951.0**	71,107.1
	Other income	20	**672.2**	748.0
	TOTAL REVENUE		**81,623.2**	71,855.1
EXPENSES	Cost of materials consumed	21	**39,203.3**	34,223.4
	Purchase of traded goods		**157.6**	968.9
	Increase in work-in-progress and finished goods	22	**(1,590.9)**	(357.5)
	Employee benefit expenses	23	**6,687.5**	5,142.1
	Other expenses	24	**13,989.3**	11,935.5
	Depreciation/amortization	25	**2,451.5**	1,859.7
	Finance costs	26	**1,321.4**	2,888.4
	TOTAL EXPENSES		**62,219.7**	56,660.5
PROFIT BEFORE TAX			**19,403.5**	15,194.6
TAX EXPENSE	Current tax	29	**4,206.3**	3,346.2
	MAT credit		**(99.5)**	(1,245.6)
	Deferred tax charge		**133.2**	1,373.1
	TOTAL TAX EXPENSE		**4,240.0**	3,473.7
PROFIT FOR THE YEAR			**15,163.5**	11,720.9
EARNINGS PER EQUITY SHARE		46		
	Basic earnings per share (₹)		**52.01**	40.24
	Diluted earnings per share (₹)		**51.97**	40.20
	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

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Hyderabad, May 28, 2015

For and on behalf of the Board of Directors of Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN: 00050482

Dr. M. Sivakumaran
Director
DIN: 01284320

Santhanam Subramanian
Chief Financial Officer

A. Mohan Rami Reddy
AVP (Legal) &
Company Secretary

Cash Flow Statement for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

		Year ended March 31, 2015	Year ended March 31, 2014
CASH FLOW FROM			
OPERATING ACTIVITIES	Net profit before tax and exceptional items	**19,403.5**	15,194.6
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and amortisation	**2,451.5**	1,859.7
	Provision for doubtful receivables/advances (Net)	**42.7**	(186.7)
	Bad debts written off	**–**	4.0
	Provision for diminution on investment	**540.0**	840.0
	Loss/(profit) on sale of investment (Net)	**–**	0.1
	Balances no longer required written back	**(9.1)**	(0.8)
	Unrealised foreign exchange loss (Net)	**343.0**	909.7
	Loss on sale of assets (Net)	**25.0**	20.3
	Interest expense	**495.7**	770.5
	Interest income	**(128.6)**	(59.5)
	Dividend income	**–**	–
	Operating profit before working capital changes	**23,163.7**	19,351.9
	Movements in working capital:		
	Increase in trade receivables	**(6,665.4)**	(12,867.0)
	Increase in inventories	**(4,332.4)**	(2,800.8)
	Increase in loans and advances	**(918.5)**	(441.0)
	Increase in other current/non current assets	**(244.1)**	(40.3)
	Increase/(decrease) in trade payables	**(1,046.5)**	3,457.8
	Increase in provision for retirement benefits	**237.8**	13.4
	Decrease in other current liabilities	**(31.4)**	(3.3)
	Cash generated from operations	**10,163.2**	6,670.7
	Direct taxes paid (Net of refunds)	**(4,259.1)**	(3,390.4)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**5,904.1**	3,280.3
CASH FLOW USED IN			
INVESTING ACTIVITIES	Purchase of fixed assets, including capital work-in-progress		
	and capital advances	**(5,440.0)**	(1,486.5)
	Proceeds from sale of fixed assets	**20.4**	103.1
	Purchase of non-current investments made in subsidiaries	**(1,941.5)**	(2,486.3)
	Redemption of bank deposits (Net)	**–**	30.9
	Intercorporate deposit	**(10.0)**	–
	Loans made to/recovered from subsidiaries	**996.1**	(213.0)
	Share application money to/from others	**(33.9)**	0.0
	Interest received	**172.9**	37.4
	Dividend received	**0.0**	0.0
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)		**(6,236.0)**	(4,014.4)

(All amounts in Indian Rupees million, except share data and where otherwise stated)

		Year ended March 31, 2015	Year ended March 31, 2014
CASH FLOW USED IN			
FINANCING ACTIVITIES	Proceeds from issuance of share capital	**67.6**	34.5
	Proceeds from long-term borrowings	**8.3**	2.1
	Repayment of long-term borrowings	**(1,103.0)**	(70.3)
	Proceeds from short-term borrowings (Net)	**3,766.8**	1,011.8
	Interest paid	**(589.1)**	(697.0)
	Dividend and dividend tax paid	**(1,804.6)**	(595.5)
Net cash flow from/(used in) financing activities (C)		**346.0**	(314.4)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**14.1**	(1,048.5)
	Cash and cash equivalents at the beginning of the year	**97.2**	1,145.7
	Cash and cash equivalents at the end of the year	**111.3**	97.2
Components of cash and cash equivalents			
Cash and bank balances includes:			
Cash on hand		**6.0**	5.4
Balance with banks:			
Current accounts		**77.5**	66.7
Cash credit accounts		**15.3**	16.5
Fixed deposit accounts		**0.3**	0.3
Unpaid dividend accounts*		**12.5**	8.6
Cash and bank balances as per balance sheet		**111.6**	97.5
Less: fixed deposits considered as investing activities		**0.3**	0.3
Total cash and cash equivalents (Refer note 18)		**111.3**	97.2
Summary of significant accounting policies	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 No. 101049W

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Hyderabad, May 28, 2015

For and on behalf of the Board of Directors of Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN: 00050482

Dr. M. Sivakumaran
Director
DIN: 01284320

Santhanam Subramanian
Chief Financial Officer

A. Mohan Rami Reddy
AVP (Legal) &
Company Secretary

Notes to financial statements for the year ended March 31, 2015

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 estimate/policy

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

i. Pursuant to the requirements of Schedule II to the Companies Act, 2013, which allows Companies to use higher/lower useful lives and residual values, the management of the Company had reassessed the useful lives of fixed assets held as at April 1, 2014. Based on such internal technical reassessment the Company has accounted for additional depreciation amounting to ₹505.2 million. Further based on transitional provisions, an amount of ₹196.3 million (net of deferred tax) has been adjusted with opening retained earnings.

ii. Till year ended March 31, 2014, the Company was charging 100% depreciation on assets costing less than ₹5,000 in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company is depreciating such assets over their useful life as assessed by the management. The change in accounting for depreciation of assets costing less than ₹5,000 did not have any material 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. Indirect 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.

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, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

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 and machinery	5-20	3-40
Furniture and 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 realisable 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 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 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 realised.

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.

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 authorisation 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 recognised 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.

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 can not be recognized because it can not be measure 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, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

			As at March 31, 2015	As at March 31, 2014
2.	**SHARE CAPITAL**			
	AUTHORISED	660,000,000 (March 31, 2014: 660,000,000)		
		equity shares of ₹1 each	**660.0**	660.0
		1,000,000 (March 31, 2014: 1,000,000)		
		preference shares of ₹100 each	**100.0**	100.0
			760.0	760.0
	ISSUED, SUBSCRIBED			
	AND FULLY PAID-UP SHARES			
		291,982,275 (March 31, 2014: 291,457,021)		
		equity shares of ₹1 each	**292.0**	291.5
		TOTAL	**292.0**	291.5

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	As at March 31, 2015		As at March 31, 2014	
	Numbers	**Value**	Numbers	Value
Equity shares				
At the beginning of the year	**291,457,021**	**291.5**	291,211,290	291.2
Issued during the year under Employee Stock Option Plan	**525,254**	**0.5**	245,731	0.3
Outstanding at the end of the year	**291,982,275**	**292.0**	291,457,021	291.5

b. Terms/rights attached to equity shares

The 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 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, 2015, the amount of dividend per share recognized as distribution to equity shareholders was ₹4.5 (March 31, 2014: ₹3) including interim dividend of ₹4.5 (March 31, 2014: ₹3).

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, 2015		As at March 31, 2014	
	Numbers	**% holding**	Numbers	% holding
Mr. P.V. Ramprasad Reddy	**9,000,000**	**3.08**	19,481,440	6.68
Mrs. P. Suneela Rani	**100,661,990**	**34.48**	90,830,550	31.16
TOTAL	**109,661,990**		110,311,990	

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. For details of shares reserved for issue under Employee Stock Option Plan (ESOP) of the Company, Refer Note 30.

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

			As at March 31, 2015	As at March 31, 2014
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	**3,484.5**	3,450.2
		Add: Premium on exercise of employee stock options	**67.1**	34.3
			3,551.6	3,484.5
	GENERAL RESERVE	As per last Balance Sheet	**7,888.4**	6,716.3
		Add: Transferred from Statement of Profit and Loss	**–**	1,172.1
			7,888.4	7,888.4
	SURPLUS IN THE STATEMENT OF PROFIT AND LOSS			
		Balance as per last financial statements	**28,278.4**	18,752.2
		Profit for the year	**15,163.5**	11,720.9
		Less: Appropriations		
		On equity shares of ₹1 each		
		Interim dividend @ ₹4.5 (March 31, 2014: ₹3)	**1,312.8**	874.1
		Tax on dividend	**250.4**	148.5
		Depreciation [Net of defered tax of ₹82.3		
		(March 31, 2014: ₹Nil)] Refer Note 1(b)	**196.4**	–
		Transfer to general reserve	**–**	1,172.1
		Total appropriations	**1,759.6**	2,194.7
	NET SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		**41,682.3**	28,278.4
		TOTAL	**53,303.4**	39,832.4

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

4. LONG-TERM BORROWINGS

	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	**As at March 31, 2015**	As at March 31, 2014
From banks (Secured)				
Term loans in foreign currency	**6,458.3**	9,786.1	**3,750.0**	998.6
	6,458.3	9,786.1	**3,750.0**	998.6
Other loans				
Deferred sales tax loan (Unsecured)	**413.3**	537.0	**132.0**	104.4
	413.3	537.0	**132.0**	104.4
Amount disclosed under the head 'Other current liabilities'	**–**	–	**(3,882.0)**	(1,103.0)
(Refer Note 9)				
TOTAL	**6,871.6**	10,323.1	**–**	–
The above amount includes:				
Secured borrowings	**6,458.3**	9,786.1	**3,750.0**	998.6
Unsecured borrowings	**413.3**	537.0	**132.0**	104.4

i. Secured term loans in foreign currency carry interest in the range of LIBOR plus 2% to 2.5%. Out of these loans, loans amounting to ₹4,270.8 (March 31, 2014: ₹6,291.1) are repayable in 3 equal installments in 4th, 5th, 6th years from the respective final draw down dates, and loans amounting to ₹2,187.5 (March 31, 2014: ₹4,493.6) are 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 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.

	As at March 31, 2015	As at March 31, 2014
5. DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability on account of differences in depreciation		
as per tax books and financial books	**2,388.9**	2,238.1
Deferred tax asset arising on account of timing differences relating to:		
Provision made towards doubtful trade receivables/loans and advances	**79.5**	63.5
Employee benefits	**206.0**	122.1
TOTAL	**2,103.4**	2,052.5

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

6. PROVISIONS

	Long-term		Short-term	
	As at March 31, 2015	As at March 31, 2014	**As at March 31, 2015**	As at March 31, 2014
For employee benefits				
Gratuity (Refer Note 31)	**226.5**	83.0	**30.0**	30.0
Compensated absences	**–**	–	**340.4**	246.1
	226.5	83.0	**370.4**	276.1
Other provisions				
For proposed dividend	**–**	–	**292.0**	510.0
For tax on proposed dividend	**–**	–	**59.4**	86.7
Provision for income tax (Net of advance tax)	**–**	–	**138.4**	189.0
	–	–	**489.8**	785.7
TOTAL	**226.5**	83.0	**860.2**	1,061.8

	As at March 31, 2015	As at March 31, 2014
7. SHORT-TERM BORROWINGS		
Loans repayable on demand from banks - working capital loans		
Cash credit facilities (Secured)	**372.7**	68.4
Buyers credit (Secured)	**–**	4,111.4
Buyers credit (Unsecured)	**784.6**	25.1
Packing credit loans (Secured)	**8,259.0**	5,736.1
Packing credit loans (Unsecured)	**12,677.4**	7,884.5
TOTAL	**22,093.7**	17,825.5
The above amount includes		
Secured borrowings	**8,631.8**	9,915.9
Unsecured borrowings	**13,461.9**	7,909.6
	22,093.7	17,825.5

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).

8. TRADE PAYABLES		
Trade payables for supplies and services	**11,460.4**	12,361.6
(Refer Note 34 for details of dues to micro and small enterprises)		
9. OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings (Refer Note 4)	**3,882.0**	1,103.0
Payable for capital goods	**869.9**	404.2
Security deposits	**1.5**	0.1
Unclaimed dividend (Refer Note 35)	**12.5**	8.6
Interest accrued but not due on borrowings	**87.4**	110.8
Advance from customers	**44.6**	91.6
Statutory liabilities	**149.7**	205.6
TOTAL	**5,047.6**	1,923.9

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

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, 2013	60.7	304.1	25.5	5,588.2	22,068.8	582.4	156.3	249.3	29,035.3	39.6
Additions	–	33.3	–	80.8	974.6	31.6	13.3	26.1	1,159.6	–
Deletions	0.1	–	–	3.8	121.1	–	18.1	3.3	146.3	–
At March 31, 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**
Depreciation/amortization										
At April 1, 2013	8.1	–	11.0	798.3	7,760.4	237.2	47.9	53.3	8,916.2	39.6
Charge for the year	1.5	–	1.3	177.5	1,614.3	38.1	14.4	12.9	1,860.0	–
Deletions	–	–	–	1.2	91.8	–	12.3	1.7	107.0	–
At March 31, 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**
Net block										
At March 31, 2014	51.0	337.4	13.2	4,690.6	13,639.4	338.7	101.5	207.6	19,379.4	–
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**	**–**

Capital work-in-progress ₹2,271.9 (March 31, 2014: ₹2,038.9) (Refer Note 32).

1. The title deeds of land and buildings aggregating to ₹161.9 (March 31, 2014: ₹154.5) are pending transfer to the Company's name.
2. Depreciation/amortization for the year include ₹2.3 (March 31, 2014: ₹0.3) 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, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Face value	As at March 31, 2015 Qty.	As at March 31, 2015 ₹	As at March 31, 2014 Qty.	As at March 31, 2014 ₹
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	1 Real	**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, 2014: ₹180.0)]					
Helix Healthcare B.V., The Netherlands	–	**100% of Paid–in–capital**	**3,605.4**	100% of Paid–in–capital	3,772.4
[At cost less provision for other than temporary diminution in value of ₹2,340.0 (March 31, 2014: ₹1,800.0)]					
APL Research Centre Limited, India	₹10	**12,102,750**	**121.0**	11,802,750	118.0
APL Healthcare Limited, India	₹10	**55,537,600**	**555.4**	14,037,600	140.4
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**	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	**94,274,000**	**942.7**	54,225,000	542.3
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	**2,150,000**	**315.5**	59,000	225.5
Hyacinths Pharma Private Limited, India	10	**8,490,998**	**154.8**	2,230,500	151.0
Silicon Life Sciences Private Limited, India	10	**43,617,500**	**419.9**	27,987,500	263.7
AuroZymes Limited, India	10	**50,000**	**0.5**	50,000	0.5
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
Sino–Pharma Group Datong Weiqida Zhong Khag Pharma Company Limited [Formerly Aurobindo (Datong) Bio–Pharma Company Limited, China]		**– Paid–in–capital**	**–**	10% Paid–in–capital	196.2
TOTAL (A)			**9,430.9**		8,725.7
Long term, unquoted, in fully paid 9.5% cumulative redeemable preference shares (at cost)					
In subsidiaries					
Auro Peptides Limited, India	100	**5,000,000**	**500.0**	–	–
(These shares are redeemable at par within five years from the date of issue)					
TOTAL (B)			**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, 2014: ₹0.07)]			**0.2**		0.2
TOTAL (C)			**0.2**		0.2
TOTAL (A+B+C)			**9,931.1**		8,725.9
Notes:					
1. Aggregate value of unquoted investments			**9,931.1**		8,725.9
2. Aggregate provision for diminution in the value of investments			**2,520.0**		1,980.0

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	**As at March 31, 2015**	As at March 31, 2014
12. LOANS AND ADVANCES				
(Unsecured, considered good except stated otherwise)				
Capital advances				
Considered good	**499.6**	119.8	**–**	–
Doubtful	**0.8**	0.8	**–**	–
	500.4	120.6	**–**	–
Provision for doubtful advances	**0.8**	0.8	**–**	–
TOTAL (A)	**499.6**	119.8	**–**	–
Trade deposits				
Considered good*	**333.3**	329.2	**–**	–
Doubtful	**0.4**	0.4	**–**	–
	333.7	329.6	**–**	–
Provision for doubtful deposit	**0.4**	0.4	**–**	–
TOTAL (B)	**333.3**	329.2	**–**	–
Loan and advances to related parties (Refer Note 39)				
Loans to subsidiaries**	**28.0**	1,024.1	**–**	–
TOTAL (C)	**28.0**	1,024.1	**–**	–
Advances recoverable in cash or kind				
Considered good	**24.0**	26.6	**1,199.7**	794.6
Doubtful	**30.1**	35.1	**–**	–
	54.1	61.7	**1,199.7**	794.6
Provision for doubtful advances	**30.1**	35.1	**–**	–
TOTAL (D)	**24.0**	26.6	**1,199.7**	794.6
Other loans and advances				
Advance income tax (Net of provision for taxation)	**439.4**	437.2	**–**	–
MAT credit entitlement	**2,610.1**	2,510.6	**–**	–
Share application money to others	**33.9**	–	**–**	–
Intercorporate deposit	**–**	–	**10.0**	–
Loans to employees	**54.4**	32.7	**78.9**	74.3
Export rebate claims receivable	**–**	–	**1,802.5**	1,399.7
Balance with statutory/government authorities				
Considered good	**166.7**	155.8	**917.4**	878.7
Doubtful	**38.1**	–	**–**	–
	204.8	155.8	**917.4**	878.7
Provision for doubtful advances	**38.1**	–	**–**	–
	166.7	155.8	**917.4**	878.7
TOTAL (E)	**3,304.5**	3,136.3	**2,808.9**	2,352.7
TOTAL (A+B+C+D+E)	**4,189.4**	4,636.0	**4,008.5**	3,147.3

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, 2014: ₹32.6).

** Loan of ₹28.0 outstanding as at March 31, 2015 has been given to wholly owned subsidiaries towards project development cost, at interest rate of 9.5% p.a.

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	**As at March 31, 2015**	As at March 31, 2014
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	**–**	–	**443.4**	398.6
Doubtful	**32.2**	44.4	**128.0**	103.5
	32.2	44.4	**571.4**	502.1
Provision for doubtful receivables	**32.2**	44.4	**128.0**	103.5
TOTAL (A)	**–**	–	**443.4**	398.6
Others				
Considered good (B)	**–**	–	**36,646.0**	29,302.6
TOTAL (A+B)	**–**	–	**37,089.4**	29,701.2

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, 2015	As at March 31, 2014
14. OTHER CURRENT ASSETS		
(Unsecured, considered good unless stated otherwise)		
Insurance claim receivable	**92.7**	1.7
Export incentives receivable	**710.0**	676.3
Interest accrued on deposits	**22.0**	21.6
Interest accrued on loans to subsidiaries	**–**	44.8
Receivables – others		
Considered good	**–**	3.3
Doubtful	**–**	2.6
	–	5.9
Provision for doubtful receivables	**–**	2.6
	–	3.3
TOTAL	**824.7**	747.7
15. OTHER NON-CURRENT ASSETS		
(Unsecured, considered good unless stated otherwise)		
Export incentives receivable	**285.2**	163.0
Non-current bank balances (Refer Note 18)	**0.3**	0.3
TOTAL	**285.5**	163.3

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Face value	As at March 31, 2015 Qty	As at March 31, 2015 ₹	As at March 31, 2014 Qty	As at March 31, 2014 ₹
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, 2014: ₹7.0)]					
Sino-Pharma Group Datong Weiqida Zhong Khag Pharma					
Company Limited, China [Formerly Aurobindo (Datong)					
Bio 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**	**0.3**	4,520	0.3
TOTAL			**196.4**		0.3
1. Aggregate value of unquoted investments			**196.1**		–
2. Aggregate value of quoted investments			**0.3**		0.3
3. Market value of quoted investments			**0.3**		0.3
4. Aggregate provision for diminution in the value of investments			**7.0**		7.0

	As at March 31, 2015	As at March 31, 2014
17. INVENTORIES		
(Valued at lower of cost and net realizable value)		
Raw materials [includes in-transit ₹334.0 (March 31, 2014: ₹680.2)]	**10,948.6**	8,611.6
Packing materials	**1,278.6**	1,137.3
Work-in-progress	**6,478.8**	5,231.3
Finished goods [includes in-transit ₹322.1 (March 31,2014: ₹178.7)]	**1,706.1**	1,362.7
Stores, spares and consumables	**1,038.4**	775.2
TOTAL	**21,450.5**	17,118.1

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	**As at March 31, 2015**	As at March 31, 2014
18. CASH AND BANK BALANCES				
Cash and cash equivalents				
Cash on hand	**–**	–	**6.0**	5.4
Balance with banks:				
On current accounts	**–**	–	**77.5**	66.7
On cash credit accounts	**–**	–	**15.3**	16.5
On unpaid dividend account	**–**	–	**12.5**	8.6
	–	–	**111.3**	97.2
Other bank balances				
Margin money deposits*	**0.3**	0.3	**–**	–
	0.3	0.3	**–**	–
Amount disclosed under non–current assets (Refer Note 15)	**(0.3)**	(0.3)	**–**	–
TOTAL	**–**	–	**111.3**	97.2

* Given against bank guarantees/performance guarantees

	Year ended March 31, 2015	Year ended March 31, 2014
19. REVENUE FROM OPERATIONS (GROSS)		
Sale of products	**81,639.6**	71,945.8
Sale of services	**37.9**	138.1
Other operating revenue		
Scrap sales	**71.4**	56.6
Export incentives	**699.5**	554.8
TOTAL	**82,448.4**	72,695.3
Details of sale of products		
Active Pharmaceutical Ingredients (APIs) & intermediates	**27,294.7**	26,834.7
Formulations - Tablets & capsules	**44,213.8**	37,764.6
Formulations - Injections	**4,514.0**	3,212.0
Formulations - Syrups	**4,138.5**	1,452.5
Trading goods	**195.6**	1,025.3
Others	**1,283.0**	1,656.7
	81,639.6	71,945.8
Details of sale of services		
Dossier income	**12.3**	97.9
Other service income	**25.6**	40.2
	37.9	138.1

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Year ended March 31, 2015	Year ended March 31, 2014
20. OTHER INCOME		
Interest income on		
Bank deposits	**1.2**	2.7
Other deposits and customer advances	**86.0**	25.4
Loans to subsidiaries	**41.4**	31.4
Dividend income on current investments - trade	**–**	–
Provision for doubtful receivables/advances written back (Net)	**–**	186.7
Bad debts recovered from trade receivables	**15.6**	24.4
State subsidy received	**135.1**	4.4
Foreign exchange gain (Net)	**249.0**	419.3
Miscellaneous income	**143.9**	53.7
TOTAL	**672.2**	748.0

	Year ended March 31, 2015	Year ended March 31, 2014
21. COST OF MATERIALS CONSUMED		
Raw material consumed		
Opening stock	**8,611.6**	6,670.3
Add: Purchases	**37,910.8**	33,171.7
	46,522.4	39,842.0
Less: Closing stock	**10,948.6**	8,611.6
Cost of raw material consumed	**35,573.8**	31,230.4
Packing materials consumed	**3,629.5**	2,993.0
TOTAL	**39,203.3**	34,223.4
Details of cost of materials consumed		
Material name		
6 APA	**3,483.7**	3,903.5
Packing materials consumed	**3,629.5**	2,993.0
Others	**32,090.1**	27,326.9
	39,203.3	34,223.4

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Year ended March 31, 2015	Year ended March 31, 2014	(Increase)/decrease March 31, 2015
22. (INCREASE)/DECREASE IN WORK-IN-PROGRESS, TRADED AND FINISHED GOODS			
Inventories at the end of the year			
Finished goods	**1,706.1**	1,362.7	(343.4)
Work-in-progress	**6,478.8**	5,231.3	(1,247.5)
	8,184.9	6,594.0	(1,590.9)
Inventories at the beginning of the year			March 31, 2014
Finished goods	**1,362.7**	1,246.9	(115.8)
Work-in-progress	**5,231.3**	4,989.6	(241.7)
	6,594.0	6,236.5	(357.5)
TOTAL	**(1,590.9)**	(357.5)	
Details of inventory			
Finished goods			
Active Pharmaceutical Ingredients (APIs) & intermediates	**658.7**	491.8	
Formulations - Tablets & capsules	**829.0**	742.0	
Formulations - Injections	**153.4**	42.2	
Formulations - Syrups	**65.0**	86.6	
	1,706.1	1,362.6	
Work-in-progress			
Active Pharmaceutical Ingredients (APIs) & intermediates	**5,379.9**	4,572.2	
Formulations - Tablets & capsules	**1,011.5**	590.9	
Formulations - Injections	**80.0**	52.7	
Formulations - Syrups	**7.4**	15.5	
	6,478.8	5,231.3	

	Year ended March 31, 2015	Year ended March 31, 2014
23. EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and bonus	**6,061.5**	4,827.6
Contribution to provident and other funds [Refer Note 31 (a)]	**170.0**	117.2
Gratuity expense [Refer Note 31 (b)]	**172.1**	29.7
Leave encashment expense	**148.9**	59.1
Staff welfare expenses	**135.0**	108.5
TOTAL	**6,687.5**	5,142.1

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Year ended March 31, 2015	Year ended March 31, 2014
24. OTHER EXPENSES		
Conversion charges	**481.2**	396.1
Consumption of stores and spares	**1,159.7**	757.3
Chemicals consumed	**1,149.3**	940.9
Power and fuel	**3,401.3**	3,357.1
Carriage inward	**478.3**	396.5
Factory maintenance	**212.5**	157.0
Effluent treatment expenses	**111.5**	86.1
(Increase)/decrease of excise duty on inventory (Refer Note 41)	**2.7**	(0.8)
Repairs and maintenance		
i. Plant and machinery	**497.5**	365.4
ii. Buildings	**284.4**	180.7
iii. Others	**37.6**	22.4
Rent (Refer Note 40)	**74.3**	43.2
Rates and taxes	**141.0**	102.2
Printing and stationery	**108.7**	97.6
Postage and telephones	**52.7**	40.5
Insurance	**139.6**	130.6
Legal and professional charges	**353.8**	232.6
Directors sitting fees	**2.4**	0.9
Remuneration to statutory auditors (Refer Note 37)	**10.9**	8.2
Sales commission	**269.7**	424.4
Carriage outwards	**2,117.8**	1,542.7
Selling expenses	**367.6**	148.2
Rebates and discounts	**4.4**	24.4
Travelling and conveyance	**157.6**	110.8
Vehicle maintenance expenses	**5.3**	4.4
Analytical charges	**360.9**	501.9
Provision for diminution on non-current investment	**540.0**	840.0
Donations (Refer Note 38)	**11.6**	9.9
Registration and filing charges	**756.7**	604.2
Loss on sale of fixed assets (Net)	**25.0**	20.3
Provision for doubtful receivables/advances (Net)	**42.7**	–
Loss on current investments	**–**	0.1
Corporate social responsibility expenditure*	**81.3**	–
Miscellaneous expenses	**549.3**	389.7
TOTAL	**13,989.3**	11,935.5

* Company has spent ₹81.3 towards CSR activities out of total requirement of ₹140.0 as per Section 135 of the Companies Act, 2013.

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Year ended March 31, 2015	Year ended March 31, 2014
25. DEPRECIATION/AMORTIZATION		
Depreciation of tangible assets	**2,730.1**	1,859.7
Amortization of intangible assets	**278.6**	–
TOTAL	**2,451.5**	1,859.7
26. FINANCE COSTS		
Interest	**495.7**	770.5
Bank charges	**70.1**	95.7
Exchange difference to the extent considered as an adjustment to borrowing costs	**755.6**	2,022.2
TOTAL	**1,321.4**	2,888.4

27. Capital and other commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for: ₹3,538.0 (March 31, 2014: ₹1,272.7).

28. Contingent liabilities

Particulars	As at March 31, 2015	As at March 31, 2014
Outstanding bank guarantees	**718.5**	771.8
Corporate guarantees for loans taken by 100% subsidiaries**	**3,090.7**	–
Claims arising from disputes not acknowledged as debts		
- indirect taxes (excise duty and service tax)*#	**272.4**	223.3
Claims arising from disputes not acknowledged as debts - direct taxes*	**308.8**	105.0
Claims against the Company not acknowledged as debts - other duties/claims*	**150.3**	150.3
Bills discounted with banks	**1,048.5**	1,060.6

* 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 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. The income tax authorities had carried out search operations on the Company at certain locations in February, 2012. The Company has fully co-operated with the authorities and various statements were recorded during the course of these operations. In order to avoid possible litigations, without admitting any irregularities, the Company had decided to offer an additional income and to pay the resultant tax. Accordingly, provision for income tax of ₹48.7 on this additional income had been made during the year 2011-12. The proceedings are in progress and no other material implications are expected by the management in this matter.

30. Employee stock options

a. 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

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

options to eligible employees on October 30, 2006, July 31, 2007, October 31, 2007, December 16, 2011, June 19, 2012, January 09, 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, 2015	Year ended March 31, 2014
Options outstanding at the beginning of the year	**2,131,369**	2,464,000
Granted during the year	**–**	30,000
Vested/exercisable during the year	**474,570**	312,900
Exercised during the year	**525,254**	245,731
Forfeited during the year subject to reissue	**49,970**	116,900
Options outstanding at end of the year	**1,556,145**	2,131,369
Exercisable at the end of the year	**22,548**	78,229
Weighted average exercise price for all the above options (₹)	**107.52**	106.27
Weighted average fair value of options at the date of grant (₹)	**127.63**	126.14

	Range of exercise prices (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)
As at March 31, 2015	**91 to 201**	**1,556,145**	**3.41**
As at March 31, 2014	91 to 201	2,131,369	4.35

b. 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, 2015	Year ended March 31, 2014
Profit after taxation			
As reported in Statement of Profit and Loss		**15,163.5**	11,720.9
Less: Additional employee compensation cost based on Fair Value		**23.6**	8.1
Profit after taxation as per Fair Value Method		**15,139.9**	11,712.8
Earnings per share			
Basic			
No. of shares		**291,538,092**	291,247,060
EPS as reported	(₹)	**52.01**	40.24
EPS as per Fair Value method	(₹)	**51.93**	40.22
Diluted			
No. of shares		**291,783,902**	291,581,834
EPS as reported	(₹)	**51.97**	40.20
EPS as per Fair Value method	(₹)	**51.89**	40.17

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

The following assumptions were used for calculation of fair value of grants:

		Year ended March 31, 2015 ESOP 2006	Year ended March 31, 2014 ESOP 2006
Risk-free interest rate	(%)	**8**	8
Expected life of options	(Years)	**6**	6
Expected volatility	(%)	**0.15**	0.15
Dividend yield		**0.61**	0.61

31. Employee benefits

	Year ended March 31, 2015	Year ended March 31, 2014
a. Disclosures related to defined contribution plan		
Provident fund contribution recognized as expense in the		
Statement of Profit and Loss	**153.1**	99.9

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 summarize 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, 2015	Year ended March 31, 2014
Net employee benefit expense (included under employee benefit expenses)		
Current service cost	**54.8**	55.0
Interest cost on benefit obligation	**36.0**	29.5
Expected return on plan assets	**(19.0)**	(18.3)
Net actuarial (gain)/loss recognized in the year	**101.7**	(36.5)
Net benefit expense*	**173.5**	29.7
Actual return on plan assets	**19.6**	18.2

*Includes ₹1.4 transferred to capital work-in-progress

Balance Sheet

	As at March 31, 2015	As at March 31, 2014
Details of provision for gratuity		
Defined benefit obligation (DBO)*	**503.4**	341.1
Fair value of plan assets (FVA)**	**246.9**	228.1
Net plan liability	**256.5**	113.0

* DBO as at March 31, 2013: ₹317.7; March 31, 2012: ₹240.8 and March 31, 2011: ₹193.3.

** FVPA as at March 31, 2013: ₹202.7; March 31, 2012: ₹174.7 and March 31, 2011: ₹102.3.

Notes to financial statements for the year ended March 31, 2015

(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, 2015	Year ended March 31, 2014
Opening defined benefit obligation	**341.1**	317.7
Current service cost	**54.8**	55.0
Interest cost	**36.0**	29.5
Benefits paid	**(30.8)**	(24.6)
Actuarial (gains)/losses on obligation*	**102.3**	(36.5)
Closing defined benefit obligation	**503.4**	341.1

* Experience adjustments on plan liabilities March 31, 2015: ₹12.9; March 31, 2014: ₹9.6; March 31, 2013: ₹4.8; March 31, 2012: ₹12.6 and March 31, 2011: ₹9.6.

Changes in fair value of plan assets

	Year ended March 31, 2015	Year ended March 31, 2014
Opening fair value of plan assets	**228.1**	202.7
Expected return	**19.0**	18.3
Contributions by employer	**30.0**	31.8
Benefits paid	**(30.8)**	(24.6)
Actuarial gains/(losses)*	**0.6**	(0.1)
Closing fair value of plan assets	**246.9**	228.1

* Experience adjustments on plan assets March 31, 2015: ₹0.6; March 31, 2014: (₹0.1); March 31, 2013: ₹0.2; March 31, 2012: ₹3.3 and March 31, 2011: ₹0.6.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	As at March 31, 2015	As at March 31, 2014
Discount rate (p.a.) (%)	**7.90**	9.35
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 investments 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 ₹30.0 (March 31, 2014: ₹30.0) to the qualifying insurance policy in 2015-16.

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

32. Capital work-in-progress includes expenditure during construction period pending capitalization:

	As at March 31, 2015	As at March 31, 2014
Balance brought forward	**485.5**	506.9
Add: Incurred during the year		
Salaries, wages and bonus	**43.1**	6.6
Consumption of stores and spares	**–**	0.5
Carriage inward	**0.2**	0.1
Power and fuel	**5.4**	2.4
Conversion charges	**1.7**	2.9
Rates and taxes	**2.3**	0.1
Printing and stationery	**0.2**	0.2
Postage and telephones	**0.1**	0.1
Insurance	**0.9**	0.1
Legal and professional charges	**0.1**	0.0
Travelling and conveyance	**1.0**	0.0
Depreciation	**2.3**	0.3
Factory maintenance	**5.2**	–
Miscellaneous expenses	**10.5**	7.6
	558.5	527.8
Less: Capitalized to fixed assets during the year	**191.5**	42.2
Balance carried forward	**367.0**	485.5

33. Disclosure regarding derivative financial instruments

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, 2015**	As at March 31, 2014
Loans availed	**(31,929.3)**	(28,541.8)
Trade receivables	**29,718.3**	23,787.5
Loans and advances (including other current assets)	**361.7**	881.0
Trade payables (including creditors for capital goods)	**(3,693.8)**	(4,618.7)
Interest accrued but not due	**(87.4)**	(110.8)
Investments	**7,224.5**	7,281.6
Bank balances	**53.6**	51.6

Notes to financial statements for the year ended March 31, 2015

(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, 2015	As at March 31, 2014
The principal amount remaining unpaid as at the end of the year.	–	8.5
The amount of interest accrued and remaining unpaid at the end of the year.	–	0.7
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, 2015 (March 31, 2014: ₹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 is given below

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Material and stores and spares consumption	605.2	531.8
Power and fuel	84.7	71.4
Repairs and maintenance	15.7	35.3
Employee benefit expenses	861.1	661.3
Analytical charges	341.1	448.9
Legal & professional charges	224.7	130.1
Registration and filing fee	689.2	481.0
Depreciation	237.5	95.6
Others	123.2	95.1
TOTAL	3,182.4	2,550.5

b. Details of capital expenditure incurred for Research and Development are given below:

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Buildings	34.1	8.6
Plant and machinery		
- Plant and machinery	73.7	–
- Lab equipment	219.4	111.3
- Pipes and valves	11.4	14.1
- Data processing equipment	22.8	1.9
- Electrical installations	20.6	3.7
Office equipment	8.0	8.1
Furniture	26.4	9.8
TOTAL	416.4	157.5

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

37. Remuneration to statutory auditors (including service tax where applicable)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
As auditors		
Statutory audit	**6.9**	6.0
Limited review	**2.1**	1.5
In other capacity		
Certification	**0.1**	0.1
Others	**1.0**	–
Reimbursement of expenses and taxes	**0.8**	0.6
TOTAL	**10.9**	8.2

38. Donation to political parties

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Communist Party of India (Marxist)	**2.1**	0.0
Communist Party of India	**1.2**	0.1
Andhra Pradesh Congress Committee	**1.0**	2.4
Telugu Desam Party	**–**	2.5
Yuvajana Shramika Rythu Congress Party	**–**	2.5
Bharatiya Janata Party	**2.0**	–
Telangana Rashtra Samithi	**2.5**	–
	8.8	7.5

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
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
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
18. Aurobindo Pharma Limited s.r.l., Dominican Republic (liquidated during the year)
19. Aurobindo Pharma Japan K.K., Japan
20. Pharmacin B.V., The Netherlands
21. Aurobindo Pharma GmbH, Germany
22. Aurobindo Pharma (Portugal) Unipessoal Lda, Portugal
23. Aurobindo Pharma France SARL, France (merged with Arrow Generics SAS, France w.e.f. April 1, 2014)
24. Laboratorios Aurobindo S. L., Spain
25. Agile Malta Holdings Limited, Malta (merged with Aurobindo Pharma (Malta) Limited w.e.f. December 31, 2014)

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

26. Aurobindo Pharma B.V, The Netherlands
27. Aurobindo Pharma (Romania) s.r.l, Romania
28. Aurobindo Pharma (Italia) S.r.l., Italy
29. Aurobindo Pharma (Malta) Limited, Malta
30. APL IP Company Limited, Jersey
31. APL Swift Services (Malta) Limited, Malta
32. Milpharm Limited, U.K.
33. Aurolife Pharma LLC, U.S.A.
34. Auro Peptides Limited, India
35. Auro Medics Pharma LLC, U.S.A.
36. Aurobindo Pharma NZ Limited, New Zealand
37. Aurovida Farmaceutica S.A. de C.V., Mexico
38. Curepro Parenterals Limited, India
39. Hyacinths Pharma Private Limited, India
40. Silicon Life Sciences Private Limited, India
41. AuroZymes Limited, India
42. Eugia Pharma Specialities Limited, India
43. Aurobindo Pharma Columbia S.A.S., Columbia
44. Aurovitas, Unipessioal Lda, Portugal (w.e.f. March 25, 2014)
45. Arrow Generiques S.A.S., France (w.e.f. April 1, 2014)
46. Actavis B.V., The Netherlands (w.e.f. April 1, 2014)
47. Auro Health LLC, U.S.A.
48. Aurobindo Antiboitics Limited, India
49. Aurovitas S.L., Spain (Incorporated during current year and closed w.e.f. December 2, 2014)
50. Aurex B.V., The Netherlands (Incorporated during current year)
51. Actavis France S.A.S., France (w.e.f. April 1, 2014)
52. Actavis Management GmbH, Germany (w.e.f. April 1, 2014)
53. Actavis Deutschland GmbH & Co, KG, Germany (w.e.f. April, 2014)
54. Aurovitas Spain S.A. (formerly Actavis Spain S.A.) (w.e.f. April 1, 2014)
55. Natrol LLC, U.S.A. (w.e.f. December 4, 2014)
56. Aurobindo Switzerland AG, Switzerland (Closed w.e.f. September 11, 2013)
57. Aurobindo Pharma (Poland) Sp.z.o.o., Poland (Closed w.e.f. June 28, 2013)
58. Agile Pharma (Malta) Limited, Malta (Closed w.e.f. October 9, 2013)

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
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, Wholetime Director)
2. Mr. Vishnu M. Sriram (Son-in-law of Dr. M. Sivakumaran, Whole-time Director)

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Transactions with related parties

	Particulars	Year ended March 31, 2015	Year ended March 31, 2014
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**	12.6
	Balance receivable	**–**	775.2
	Auro Peptides Limited		
	Receipt against loan and interest	**502.1**	14.3
	Interest accrued	**34.3**	18.8
	Loan given	**174.1**	213.0
	Balance receivable	**–**	293.6
	AuroZymes Limited, India		
	Receipt against loan and interest	**0.8**	–
	Interest accrued	**0.8**	–
	Loan given	**20.5**	–
	Balance receivable	**20.5**	–
	Silicon Life Sciences Private Limited, India		
	Receipt against loan and interest	**0.1**	–
	Interest accrued	**0.1**	–
	Loan given	**7.5**	–
	Balance receivable	**7.5**	–
b.	**Sale/purchase of goods, services and other transactions**		
	Transactions with subsidiaries		
	APL Pharma Thai Limited, Thailand		
	Sale of goods	**261.6**	272.5
	Balance receivable	**102.3**	48.5
	All Pharma (Shanghai) Trading Company Limited, China		
	Purchases	**2,648.4**	2,855.2
	Reimbursement of expenses	**10.8**	15.8
	Reimbursement of expenses received	**–**	0.6
	Purchase of fixed assets	**7.0**	39.5
	Sale of goods	**0.9**	–
	Balance receivable	**1.0**	–
	Balance payable	**885.3**	638.2
	Helix Healthcare B.V., The Netherlands		
	Equity contribution	**373.0**	1,569.5
	Corporate guarantee for loans	**2,082.9**	–
	Aurobindo Pharma Produtos Farmaceuticos Ltda, Brazil		
	Sale of goods	**520.5**	275.0
	Reimbursement of expenses	**2.5**	2.0
	Sales commission	**17.8**	15.7
	Balance receivable	**509.0**	288.9
	Balance payable	**3.2**	13.9
	APL IP Company Limited, Jersey		
	Balance receivable	**–**	149.8
	APL Swift Services (Malta) Limited, Malta		
	Sale of goods	**2,512.5**	1,838.3

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Commission	**0.2**	–
Reimbursement of expenses	**9.0**	21.3
Balance receivable	**1,863.1**	1,579.7
Balance payable	**3.0**	21.1
Aurobindo Pharma USA Inc., U.S.A.		
Sale of goods	**21,471.0**	14,029.8
Reimbursement of expenses	**2.0**	–
Balance receivable	**16,815.2**	8,901.4
Balance payable	**7.1**	6.8
Aurobindo Pharma Industria Farmaceutica Ltda, Brazil		
Sale of goods	**698.4**	589.2
Sales commission	**–**	0.4
Reimbursement of expenses	**5.0**	10.9
Balance receivable	**289.9**	526.8
Balance payable	**0.9**	3.2
Auro Pharma Inc., Canada		
Sale of goods	**180.1**	182.4
Reimbursement of expenses	**0.8**	10.9
Balance receivable	**111.5**	119.8
Balance payable	**11.1**	11.5
Aurobindo Pharma (Pty) Limited, South Africa		
Sale of goods	**352.0**	791.9
Reimbursement of expenses paid	**0.4**	0.2
Reimbursement of expenses received	**0.5**	–
Sales commission	**–**	4.2
Balance receivable	**158.6**	378.4
Balance payable	**–**	13.4
Pharmacin B.V., The Netherlands		
Sale of goods	**54.3**	103.8
Sales commission	**58.7**	24.3
Reimbursement of expenses	**0.1**	0.1
Balance receivable	**3.4**	39.0
Balance payable	**–**	84.2
Milpharm Limited, U.K.		
Sale of goods	**98.7**	659.8
Reimbursement of expenses	**7.7**	24.4
Balance receivable	**34.3**	235.6
Balance payable	**5.0**	22.4
Aurolife Pharma LLC, U.S.A.		
Sale of goods	**1,704.6**	1,584.5
Reimbursement of expenses	**0.1**	6.0
Reimbursement of expenses received	**13.1**	–
Balance receivable	**931.6**	702.5
Balance payable	**–**	6.0
Aurobindo Pharma Japan K.K., Japan		
Sale of goods	**31.0**	213.6
Reimbursement of expenses	**0.3**	2.6
Sales commission	**36.4**	71.1
Balance receivable	**18.4**	0.7

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Aurobindo Pharma (Malta) Limited, Malta		
Reimbursement of expenses	**129.9**	37.7
Balance payable	**–**	0.1
Aurobindo Pharma (Italia) S.r.l., Italy		
Balance receivable	**–**	0.5
Auronext Pharma Private Limited, India		
Sale of goods	**44.8**	47.9
Purchases	**78.6**	33.6
Purchase of fixed assets	**–**	1.9
Sale of fixed assets/(returns)	**–**	(0.1)
Rent received	**1.6**	1.6
Reimbursement of expenses	**16.2**	25.3
Reimbursement of expenses received	**–**	0.0
Equity allotment	**400.5**	193.5
Balance receivable	**30.0**	54.2
Aurobindo Pharma (Australia) Pty Limited, Australia		
Sale of goods	**72.0**	33.6
Sales commission	**–**	0.1
Reimbursement of expenses	**9.7**	–
Balance receivable	**72.1**	57.6
Balance payable	**3.2**	0.6
Laboratorios Aurobindo S.L., Spain		
Sale of goods	**532.2**	823.9
Reimbursement of expenses	**2.1**	–
Balance receivable	**352.4**	689.7
Auro Medics Pharma LLC, U.S.A.		
Sale of goods	**3,358.2**	2,157.2
Balance receivable	**1,905.3**	1,439.1
Auro Healthcare (Nigeria) Limited, Nigeria		
Sales commission	**2.1**	1.8
Balance payable	**–**	6.1
APL Healthcare Limited, India		
Sale of goods	**0.4**	–
Sale of fixed assets	**3.3**	–
Reimbursement of expenses received	**0.8**	–
Balance receivable	**2.3**	–
Equity allotment	**415.0**	107.5
APL Research Centre Limited, India		
Equity allotment	**3.0**	–
Curepro Parenterals Limited, India		
Equity allotment	**90.0**	225.5
Hyacinths Pharma Private Limited, India		
Equity allotment	**3.8**	0.8
AuroZymes Limited, India		
Equity allotment	**–**	0.5
Auro Peptides Limited, India		
Investment in 9.5% cumulative redeemable preference shares	**500.0**	–
Rent received	**5.4**	5.8

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Reimbursement of expenses received	**25.0**	6.4
Sale of fixed assets	**–**	0.3
Sale of goods	**4.9**	5.2
Purchases	**12.7**	–
Balance receivable	**13.3**	12.1
Silicon Life Sciences Private Limited, India		
Sale of goods	**156.3**	93.3
Sale of fixed assets	**3.6**	–
Purchases	**76.1**	51.1
Purchase of services	**26.1**	18.9
Reimbursement of expenses received	**3.7**	–
Balance receivable	**157.9**	54.5
Balance payable	**3.6**	–
Equity allotment	**156.3**	147.9
Eugia Pharma Specialities Limited, India		
Sale of goods	**–**	–
Sale of fixed assets	**0.3**	–
Reimbursement of expenses received	**1.1**	–
Balance receivable	**0.9**	–
Aurovida Farmaceutica S.A. de C.V., Mexico		
Sale of goods	**7.0**	7.6
Balance receivable	**7.3**	4.4
Aurobindo Pharma B.V., The Netherlands		
Sale of goods	**73.6**	62.6
Reimbursement of expenses	**0.3**	–
Balance payable	**0.2**	–
Balance receivable	**51.9**	62.0
Aurobindo Pharma, Portugal		
Reimbursement of expenses	**–**	0.1
Balance payable	**–**	0.1
Aurobindo Pharma France SARL, France		
Reimbursement of expenses	**0.1**	0.2
Aurobindo Colombia S.A.S., Colombia		
Sale of goods	**72.6**	–
Reimbursement of expenses	**2.7**	–
Balance receivable	**75.0**	–
Arrow Generiques S.A.S., France		
Sale of goods	**38.7**	–
Balance receivable	**8.9**	–
Actavis B.V., The Netherlands		
Sale of goods	**50.7**	–
Reimbursement of expenses	**2.1**	–
Balance receivable	**24.1**	–
Balance payable	**2.0**	–
Agile Pharma B.V., The Netherlands		
Corporate guarantee for loans	**1,007.9**	–

Note: For closing balance of investments and provision for diminution in value of investments, Refer Note 11.

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Particulars	Year ended March 31, 2015	Year ended March 31, 2014
c.	**Sale/purchase of goods, services and other transactions**		
	Transactions with joint venture		
	Novagen Pharma (Pty) Limited, South Africa		
	Sale of goods	**164.9**	102.6
	Reimbursement of expenses received	**0.1**	0.7
	Balance receivable	**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**	0.5
	Purchases	**1,471.9**	1,251.8
	Rent and electricity charges received	**0.3**	1.0
	Balance payable	**0.6**	(0.1)
	Sri Sai Packaging, India		
	Sale of goods	**0.3**	0.3
	Purchases	**168.9**	151.7
	Balance receivable	**–**	–
	Axis Clinicals Limited, India		
	Purchase of services	**308.0**	389.6
	Balance payable	**22.7**	47.5
	Trident Chemphar Limited, India		
	Sale of goods	**77.3**	891.5
	Purchases	**1,198.7**	558.0
	Balance receivable	**–**	132.6
	Balance payable	**64.9**	–
	Auropro Soft Systems Private Limited, India		
	Purchases	**2.5**	6.8
	Purchase of services	**3.7**	13.0
	Balance receivable	**–**	0.1
	Pranit Packaging Private Limited, India		
	Purchases	**121.4**	99.9
	Sale of goods	**–**	0.0
	Balance receivable	**0.6**	–
	Pranit Projects Private Limited, India		
	Purchase of services (Civil services)	**49.7**	6.1
	Balance receivable	**–**	1.3
	Cogent Glass Limited		
	Purchases	**446.6**	383.5
	Balance payable	**25.6**	66.4
	Orem Access Bio Inc, India		
	Purchases	**85.5**	54.5
	Veritaz Healthcare Limited, India		
	Sale of goods	**7.1**	19.0
	Purchase of services	**14.5**	11.1
	Rent received	**0.3**	0.3
	Payables	**0.0**	–
	Balance receivable	**4.6**	14.0

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	Alex Merchant Pte. Limited, Singapore		
	Purchases	**309.1**	–
	Balance receivable	**8.4**	–
	Trident Petrochemicals DMCC, Dubai		
	Purchases	**156.3**	–
	Balance receivable	**39.9**	–
e.	**Transactions with key managerial personnel or their relatives**		
	Mr. K. Nithyananda Reddy		
	Managerial remuneration	**10.5**	10.4
	Rent expense	**2.0**	1.8
	Dr. M. Sivakumaran		
	Managerial remuneration	**10.5**	10.5
	Mr. M. Madan Mohan Reddy		
	Managerial remuneration	**10.5**	10.5
	Mr. P. Sarath Chandra Reddy		
	Director sitting fees	**0.4**	0.1
	Mr. Vishnu M. Sriram		
	Remuneration	**4.1**	3.8
	Equity allotment – ESOP	**0.2**	–
	Mr. N. Govindarajan		
	Managerial Remuneration	**59.7**	59.3
	Equity allotment – ESOP	**11.5**	6.9
	Balance payable	**40.0**	40.0
	Mr. Sudhir B. Singhi		
	Remuneration (upto June 30, 2014)	**2.5**	–
	Equity allotment – ESOP	**–**	–
	Mr. Santhanam Subramanian		
	Remuneration (w.e.f. July 1, 2014)	**6.6**	–
	Mr. A. Mohan Rami Reddy		
	Remuneration	**3.9**	–
	Equity allotment – ESOP	**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. Disclosure pursuant to Clause 32 of Listing Agreement

Loans and advances in the nature of loans to subsidiaries

	Closing Balance as at March 31		Maximum outstanding at any time during the year ended March 31	
Name of the companies	**2015**	2014	**2015**	2014
Auro Peptides Limited, India	**–**	288.0	**462.1**	294.3
Helix Healthcare B.V., The Netherlands	**–**	736.1	**746.9**	792.1
AuroZymes Limited, India	**20.5**	–	**20.5**	–
Silicon Life Sciences Private Limited, India	**7.5**	–	**7.5**	–

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

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 ₹74.3 (March 31, 2014: ₹43.2).

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 lease for office premises in previous year. These leases have remaining non-cancellable period of 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, 2015	March 31, 2014
a. Within one year	**40.3**	38.4
b. After one year and not more than three years	**60.3**	82.6
c. After three years and not more than five years	**–**	18.0

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 ₹25.6 (March 31, 2014: ₹25.6).

The net carrying amount of the buildings obtained on finance lease: ₹12.1 (March 31, 2014: ₹13.3).

41. In accordance with paragraph 10 of Notified Accounting Standard 9 on Revenue Recognition, excise duty on sales amounting to ₹1,497.5 (March 31, 2014: ₹1,588.2) 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 ₹2.7 [March 31, 2014: (₹0.8)] has been (credited)/debited to the Statement of Profit and Loss.

42. Details of advances due from private companies in which Company's director is a director:

Auropro Soft Systems Private Limited, India ₹Nil (March 31, 2014: ₹0.08).

Pranit Projects Private Limited, India ₹Nil (March 31, 2014: ₹1.3).

Pranit Packaging Private Limited, India ₹0.6 (March 31, 2014: ₹Nil).

43. i. Details of trade receivables due from private companies in which Company's director is a director:

Pravesha Industries Private Limited, India ₹Nil (March 31, 2014: ₹0.06).

ii. Details of trade receivables due from partnership firm in which Company's director is a partner:

Sri Sai Packaging, India ₹Nil (March 31, 2014: ₹Nil)

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%	349.7	94.1	667.4	579.1	88.3
		472.4	*90.0*	*651.1*	*580.5*	*70.6*

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

a. Contingent liabilities of the above joint ventures ₹ Nil (March 31, 2014: ₹Nil).

b. Capital commitments of the above joint ventures ₹ Nil (March 31, 2014: ₹ Nil)

c. Novagen Pharma (Pty) Ltd 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.

46. Earnings per equity share

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Profit/(Loss) after taxation considered for calculation of basic and diluted earnings per share	**15,163.5**	11,720.9
Weighted average number of equity shares considered for calculation of basic earnings per share (a)	**291,538,092**	291,247,060
Effect of dilution on account of Employee Stock Options granted (b)	**245,810**	334,774
Weighted average number of equity shares considered for calculation of diluted earnings per share (a+b)	**291,783,902**	291,581,834

47. Imported and indigenous raw materials, stores and spares and lab chemicals consumed (excluding expenses incurred during construction period)

	Year ended March 31, 2015		Year ended March 31, 2014	
	%	₹	%	₹
Raw materials and packing material				
- Imported	**55**	**21,536.3**	59	20,207.1
- Indigenous	**45**	**17,667.0**	41	14,016.2
TOTAL	**100**	**39,203.3**	100	34,223.3
Stores and spares				
- Imported	**8**	**97.7**	6	47.3
- Indigenous	**92**	**1,062.0**	94	710.0
TOTAL	**100**	**1,159.7**	100	757.3
Lab chemicals				
- Imported	**16**	**184.2**	15	145.8
- Indigenous	**84**	**965.1**	85	795.1
TOTAL	**100**	**1,149.3**	100	940.9

48. Value of imports calculated on CIF basis

	Year ended March 31, 2015	Year ended March 31, 2014
Raw materials and packing materials	**21,210.5**	20,877.9
Capital goods	**1,210.8**	388.2
Stores and spares	**185.1**	111.2
Lab chemicals	**171.9**	42.2
Coal	**493.4**	187.4
TOTAL	**23,271.7**	21,606.9

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

49. Expenditure in foreign currency (accrual basis)

	Year ended March 31, 2015	Year ended March 31, 2014
Travelling and conveyance	**18.0**	17.0
Sales commission	**298.9**	312.2
Registration and filing charges	**653.8**	509.5
Legal and professional charges	**256.5**	164.7
Overseas representative office expenses	**129.7**	77.2
Interest on loans from banks	**329.6**	395.4
Others	**370.4**	168.3
TOTAL	**2,056.9**	1,644.3

50. Earnings in foreign currency (accrual basis)

	Year ended March 31, 2015	Year ended March 31, 2014
Exports on F.O.B. basis	**62,514.1**	53,269.0
Interest on loans to subsidiaries	**6.2**	12.6
Interest others	**50.4**	–
Receipt on samples	**4.5**	–
Sale of dossiers/services	**37.9**	138.1
TOTAL	**62,613.1**	53,419.7

51. 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.

52. 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 No. 101049W

per **VIKAS KUMAR PANSARI**
Partner
Membership No. 93649

Hyderabad, May 28, 2015

For and on behalf of the Board of Directors of Aurobindo Pharma Limited

N. GOVINDARAJAN
Managing Director
DIN-00050482

Dr. M. SIVAKUMARAN
Director
DIN-01284320

SANTHANAM SUBRAMANIAN
Chief Financial Officer

A. MOHAN RAMI REDDY
AVP (Legal) &
Company Secretary

Independent Auditors' Report

Report on the Consolidated Financial Statements

To the Members of
Aurobindo Pharma Limited

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, 2015, 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 and joint venture 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 joint venture 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 but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 Matter 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, 2015, their consolidated profit, and their consolidated 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, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company, and its subsidiaries, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

c. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the 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, 2015 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, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

f. 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 subsidiaries incorporated in India.

Other Matter

The accompanying consolidated financial statements include total assets of ₹60,420,824,317 as at March 31, 2015, total revenues of ₹72,716,225,168 and net cash inflows amounting to ₹2,887,621,480 for the year then ended, included in the accompanying consolidated financial statements in respect of certain subsidiaries and joint venture, whose financial statements and other financial information have been audited by other auditors and whose 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) and (11) 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 No. 101049W

per **VIKAS KUMAR PANSARI**
Partner
Membership No. 093649
Hyderabad, May 28, 2015

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

The Group, comprising Aurobindo Pharma Limited ('Holding Company') and its subsidiaries incorporated in India to whom the provisions of the Order apply (referred to as 'the Covered entities' in this report). Our reporting, hereunder, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors who audited the financial statements of these subsidiaries.

i. a. The Holding Company and the Covered entities, where applicable, have 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 of the Holding Company and Covered entities, where applicable, but there is a regular programme of verification which, in our opinion and as reported by the other auditors who audited the financial statements/financial information of the aforesaid subsidiaries, is reasonable having regard to the size of the Holding Company and the Covered entities and the nature of their assets. No material discrepancies were noticed on such verification.

ii. a. The management of the Holding Company and the Covered entities, where applicable, have conducted physical verification of inventory at reasonable intervals during the year.

b. The procedures of physical verification of inventory followed by the management of the Holding Company and the Covered entities, where applicable, and the nature of their business are reasonable and adequate in relation to the size.

c. The Holding Company and the covered entities, where applicable are maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

iii. The Holding Company and the Covered entities have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Holding Company and the Covered entities and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company and the covered entities and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business. During the course of our audit, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities, where applicable in respect of these areas.

v. The Holding Company and the Covered entities have not accepted any deposits from the public.

vi. To the best of our knowledge and as explained, the Holding Company and some of the Covered entities, where applicable have maintained cost records under Section 148(1) of the Companies Act, 2013, for the products/services to the extent applicable. The detailed examinations of the same have not been made by us. Some of the Covered entities have not started/commenced any commercial operations; maintenance of cost records under Section 148(1) of the Companies Act, 2013 was not applicable.

vii. a. Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable have generally been regularly deposited with the appropriate authorities by the Holding Company and the Covered entities.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, customs duty, excise duty, 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 for the Holding Company and the Covered entities.

c. According to the records of the Holding Company, the dues outstanding of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Disputed Amount ₹	Paid under protest ₹	Period to which the amount relates	Forum where dispute is is pending
Central Excise and Customs Act, 1944	Excise duty and penalty	9,224,104	4,000,000	2007-08, 2008-09, 2009-10, 2010-11	CESTAT
	Customs duty and penalty	8,709,455	–	2002-03, 2003-04, 2004-05, 2005-06	Commissioner of Customs
	Excise duty	14,606,598	14,471,641	2005-06	Commissioner of Central Excise
	Interest	13,013,066	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
	Excise duty and penalty	13,029,452	2,569,008	2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13	CESTAT
	Excise duty	13,062,768	–	2011-12, 2012-13	CESTAT
	Excise duty and penalty	5,480,404	3,490,202	2008-09	CESTAT

(Contd.)

Name of the statute	Nature of dues	Disputed Amount ₹	Paid under protest ₹	Period to which the amount relates	Forum where dispute is is pending
	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	–	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
Finance Act, 1994	Service Tax	64,685	–	2006-07	CESTAT
	Service Tax	458,500	458,500	2007-08	CESTAT
	Service Tax	1,524,348	–	2006-07	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
Income Tax Act, 1961	Income Tax	283,446,583	–	2008-09	ITAT
	Income Tax	405,333,009	–	2009-10	ITAT
	Income Tax	330,121,258	–	2010-11	ITAT

In respect of Covered entities, there were no dues outstanding of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute

d. According to the information and explanations given to us by the Holding Company and Covered entities, the amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.

viii. The Holding Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current and immediately preceding financial year. Further, some of the Covered entities have been incorporated for less than five years and hence we are not required to comment under clause (viii) of the Order; some of the Covered entities have accumulated losses at end of the financial year which does not exceeds 50% of their respective net worth, but have incurred cash loss at the end of the financial year; and one of the Covered entity's accumulated losses at the end of the year is more than 50% of the net worth of the Company and it has incurred cash losses in the current year and the immediately preceding financial year.

ix. Based on our audit procedures and as per the information and explanations given by the management, the Holding Company and one of the Covered entities have not defaulted in their repayment of dues to a financial institution, bank or debenture holders. The other Covered entities have not accepted any loans from the financial institutions and banks. Accordingly, the provisions of clause 3 (ix) of the Companies (Auditor's) Report, 2015 are not applicable for such covered entities.

x. According to the information and explanations given to us, the Holding Company has given guarantee for loans taken by wholly owned foreign subsidiaries from banks and financial institutions, the terms and conditions whereof, in our opinion are not prima-facie prejudicial to the interest of the Holding Company. The Covered entities have not given any guarantee for loans taken by others from banks and financial institutions.

xi. Based on the information and explanations given to us by the management of by the Holding Company and the Covered entities, wherever applicable, term loans were applied for the purpose for which the loans were obtained.

xii. Based upon the audit procedures performed by us / the other auditors, for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entities have been noticed or reported during the year.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm's Registration Number: 101049W

VKPansari

per **VIKAS KUMAR PANSARI**
Partner
Membership No. 093649
Hyderabad, May 28, 2015

Consolidated Balance Sheet as at March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

		Notes	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share capital		2	**292.0**	291.5
Reserves and surplus		3	**51,267.1**	37,210.0
			51,559.1	37,501.5
Minority interest			**258.2**	256.7
NON-CURRENT LIABILITIES				
Long-term borrowings		4	**13,614.7**	12,793.6
Deferred tax liabilities		5	**2,105.3**	2,054.2
Long-term provisions		6	**243.5**	91.8
			15,963.5	14,939.6
CURRENT LIABILITIES				
Short-term borrowings		7	**25,020.8**	23,545.6
Trade payables		8	**20,511.2**	13,512.0
Other current liabilities		9	**13,649.6**	3,876.8
Short-term provisions		6	**2,182.4**	1,266.0
			61,364.0	42,200.4
TOTAL			**129,144.8**	94,898.2
ASSETS				
NON-CURRENT ASSETS				
Fixed assets	Tangible assets	10	**28,649.7**	25,120.2
	Intangible assets	11	**8,406.7**	2,096.5
	Tangible assets - Capital work-in-progress	10	**4,071.8**	2,947.8
	Intangible assets - Under development	11	**124.5**	149.4
Non-current investments		12	**1.4**	197.6
Deferred tax assets		5	**47.5**	0.5
Loans and advances		13	**4,552.7**	7,890.4
Trade receivables		14	**–**	–
Other non-current assets		16	**302.5**	184.0
			46,156.8	38,586.4
CURRENT ASSETS				
Current investments		17	**196.5**	0.3
Inventories		18	**36,113.0**	23,675.4
Trade receivables		14	**35,391.7**	26,365.7
Cash and bank balances		19	**4,691.1**	1,785.8
Loans and advances		13	**5,684.2**	3,771.9
Other current assets		15	**911.5**	712.7
			82,988.0	56,311.8
TOTAL			**129,144.8**	94,898.2
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

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Hyderabad, May 28, 2015

For and on behalf of the Board of Directors of Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN: 00050482

Dr. M. Sivakumaran
Director
DIN: 01284320

Santhanam Subramanian
Chief Financial Officer

A. Mohan Rami Reddy
AVP (Legal) &
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

		Notes	Year ended March 31, 2015	Year ended March 31, 2014
INCOME	Revenue from operations (Gross)	20	**122,725.3**	82,591.6
	Less: Excise duty	39	**1,520.1**	1,593.7
	Revenue from operations (Net)		**121,205.2**	80,997.9
	Other income	21	**967.1**	215.6
	TOTAL INCOME		**122,172.3**	81,213.5
EXPENSES	Cost of materials consumed	22	**41,228.1**	35,230.7
	Purchase of traded goods		**17,122.7**	1,849.7
	Increase in work-in-progress, traded			
	and finished goods	23	**(3,294.8)**	(1,020.0)
	Employee benefit expenses	24	**13,022.6**	8,024.3
	Other expenses	25	**27,490.4**	15,576.7
	Depreciation/amortization	26	**3,326.1**	3,125.3
	Finance costs	27	**1,598.7**	3,101.6
	TOTAL EXPENSES		**100,493.8**	65,888.3
PROFIT BEFORE TAX			**21,678.5**	15,325.2
TAX EXPENSE	Current tax		**5,965.3**	3,506.4
	MAT credit		**(99.5)**	(1,245.6)
	Deferred tax charge		**(42.2)**	1,373.7
	Tax relating to earlier years			
	Current tax		**13.1**	–
	Deferred tax		**129.2**	–
	TOTAL TAX EXPENSE		**5,965.9**	3,634.5
PROFIT ATTRIBUTABLE TO			**15,712.6**	11,690.7
Minority interest			**(45.1)**	(37.8)
Equity holders of the parent			**15,757.7**	11,728.5
PROFIT FOR THE YEAR			**15,757.7**	11,728.5
EARNINGS PER EQUITY SHARE		35		
Basic earnings per share	(₹)		**54.05**	40.27
Diluted earnings per share	(₹)		**54.00**	40.22
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 No. 101049W

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Hyderabad, May 28, 2015

N. Govindarajan
Managing Director
DIN: 00050482

Dr. M. Sivakumaran
Director
DIN: 01284320

Santhanam Subramanian
Chief Financial Officer

A. Mohan Rami Reddy
AVP (Legal) &
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

		Year ended March 31, 2015	Year ended March 31, 2014
CASH FLOW FROM			
OPERATING ACTIVITIES	Profit before tax	**21,678.5**	15,325.2
	Adjustment to reconcile profit before tax to net cash flows:		
	Depreciation and amortization	**3,326.1**	3,125.3
	Provision for doubtful receivables/advances (Net)	**365.0**	48.8
	Balances no longer required written back (Net)	**(232.5)**	(10.8)
	Unrealized foreign exchange loss (Net)	**472.4**	1,031.3
	Loss on sale/write-off of fixed assets (Net)	**156.9**	37.6
	Profit on current investments (Net)	**–**	(4.7)
	Interest expense	**708.6**	937.9
	Interest income	**(155.6)**	(37.8)
	Dividend income on current investment - trade	**–**	–
	Operating profit before working capital changes	**26,319.4**	20,452.8
	Foreign currency translation adjustments	**(578.1)**	23.6
	Movements in working capital:		
	(Decrease)/increase in trade payables	**(5,076.4)**	3,825.5
	(Increase) in inventories	**(5,730.4)**	(4,379.0)
	(Increase) in trade receivables	**(2,281.4)**	(11,016.1)
	Decrease/(increase) in other current/non-current assets	**34.5**	(40.3)
	Decrease/(increase) in loans and advances	**953.5**	(466.8)
	Increase in provision for retirement benefits	**234.1**	15.4
	Increase in other current liabilities	**3,448.8**	1,487.2
	Cash generated from operations	**17,324.0**	9,902.3
	Direct taxes paid (Net of refunds)	**(4,955.9)**	(3,439.5)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**12,368.1**	6,462.8
CASH FLOW USED IN			
INVESTING ACTIVITIES	Purchase of fixed assets, including capital		
	work-in-progress and capital advances	**(7,682.9)**	(3,904.8)
	Proceeds from sale of fixed assets	**223.9**	164.3
	Payment for net assets acquired of subsidiaries (Net of cash)	**(6,860.3)**	(242.2)
	Advance for long-term investment	**–**	(4,009.1)
	Proceeds from sale of current investments (Net)	**–**	5.8
	Share application money to/from others	**(33.9)**	–
	Inter corporate deposit	**(10.0)**	–
	(Investment in)/redemption of bank deposits (Net)	**123.8**	(237.4)
	Interest received	**154.3**	36.0
	Dividend received	**–**	–
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)		**(14,085.1)**	(8,187.4)

(Contd.)

(All amounts in Indian Rupees million, except share data and where otherwise stated)

		Year ended March 31, 2015	Year ended March 31, 2014
CASH FLOW FROM			
FINANCING ACTIVITIES	Proceeds from issuance of share capital	**67.6**	34.5
	Proceeds from long-term borrowings	**5,232.9**	1,471.3
	Repayment of long-term borrowings	**(1,352.2)**	(510.8)
	(Repayment) of/proceeds from short-term borrowings (Net)	**(473.0)**	1,714.1
	Interest paid	**(738.5)**	(937.2)
	Dividends and dividend tax paid	**(1,804.7)**	(595.5)
Net cash flow generated from financing activities (C)		**932.1**	1,176.4
Net decrease in cash and cash equivalents (A+B+C)		**(784.9)**	(548.2)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**1,480.2**	2,027.3
	Add: Cash and cash equivalents on acquisition	**3,795.2**	2.3
	Effect of exchange differences on cash and cash equivalents	**15.1**	(1.2)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**4,505.6**	1,480.2
Components of cash and cash equivalents			
Cash on hand		**7.9**	7.6
Balance with banks			
on current account		**4,316.0**	1,447.4
on cash credit account		**15.3**	16.5
on deposit account		**356.7**	326.7
on unpaid dividend account*		**12.5**	8.6
Cash and bank balances as per consolidated balance sheet		**4,708.4**	1,806.8
Less: Fixed deposits considered as investing activities		**(202.8)**	(326.6)
Cash and cash equivalents considered for cash flows (Refer Note 19)		**4,505.6**	1,480.2
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

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Hyderabad, May 28, 2015

For and on behalf of the Board of Directors of Aurobindo Pharma Limited

N. Govindarajan
Managing Director
DIN: 00050482

Dr. M. Sivakumaran
Director
DIN: 01284320

Santhanam Subramanian
Chief Financial Officer

A. Mohan Rami Reddy
AVP (Legal) &
Company Secretary

Notes to Consolidated Financial Statements for the year ended March 31, 2015

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 unrealized 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, 2015.

The Consolidated Financial Statements for the year ended March 31, 2015 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,	
				2015	2014
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.	USA	Subsidiary	**100%**	100%
5.	Auro Pharma Inc.	Canada	Subsidiary	**100%**	100%
6.	Aurobindo Pharma (Pty) Limited	South Africa	Subsidiary	**100%**	100%
7.	Milpharm Limited	UK	Subsidiary	**100%**	100%
8.	Agile Pharma B.V.	The Netherlands	Subsidiary	**100%**	100%
9.	Aurobindo Pharma (Australia) Pty Limited	Australia	Subsidiary	**100%**	100%
10.	Auro Healthcare (Nigeria) Limited	Nigeria	Subsidiary	**100%**	100%
11.	Aurobindo Switzerland AG[1]	Switzerland	Subsidiary	**–**	–
12.	Pharmacin B.V.	The Netherlands	Subsidiary	**100%**	100%
13.	Aurobindo Pharma Produtos Farmaceuticos Ltda	Brazil	Subsidiary	**100%**	100%
14.	All Pharma (Shanghai) Trading Company Limited	China	Subsidiary	**100%**	100%
15.	APL Holdings (Jersey) Limited	Jersey	Subsidiary	**100%**	100%
16.	APL IP Company Limited	Jersey	Subsidiary	**100%**	100%
17.	Aurobindo Pharma Japan K.K.	Japan	Subsidiary	**100%**	100%
18.	Agile Malta Holdings Limited[2]	Malta	Subsidiary	**–**	100%
19.	Aurobindo Pharma (Malta) Limited	Malta	Subsidiary	**100%**	100%
20.	APL Swift Services (Malta) Limited	Malta	Subsidiary	**100%**	100%
21.	Agile Pharma (Malta) Limited[3]	Malta	Subsidiary	**–**	–
22.	Laboratorios Aurobindo, S.L.	Spain	Subsidiary	**100%**	100%
23.	Aurobindo Pharma (Italia) S.r.l.	Italy	Subsidiary	**100%**	100%

(Contd...)

Notes to Consolidated Financial Statements for the year ended March 31, 2015

24. Aurobindo Pharma (Portugal) Unipessoal Lda	Portugal	Subsidiary	**100%**	100%
25. Aurobindo Pharma France SARL[4]	France	Subsidiary	**–**	100%
26. Aurolife Pharma LLC	USA	Subsidiary	**100%**	100%
27. Aurobindo Pharma GmbH	Germany	Subsidiary	**100%**	100%
28. Aurobindo ILAC Sanayi ve Ticaret Limited Sirketi	Turkey	Subsidiary	**100%**	100%
29. APL Research Centre Limited	India	Subsidiary	**100%**	100%
30. APL Healthcare Limited	India	Subsidiary	**100%**	100%
31. Novagen Pharma (Pty) Limited	South Africa	Joint Venture	**50%**	50%
32. Auronext Pharma Private Limited	India	Subsidiary	**83.42%**	75%
33. Aurobindo Pharma (Singapore) Pte Limited	Singapore	Subsidiary	**100%**	100%
34. Aurobindo Pharma B.V.	The Netherlands	Subsidiary	**100%**	100%
35. Aurobindo Pharma (Romania) s.r.l.	Romania	Subsidiary	**100%**	100%
36. Aurobindo Pharma (Poland) Sp.z.o.o.[5]	Poland	Subsidiary	**–**	–
37. Aurobindo Pharma Limited, s.r.l. (Upto December 18, 2014)[6]	Dominican Republic	Subsidiary	**–**	100%
38. Auro Peptides Limited	India	Subsidiary	**95%**	95%
39. Auro Medics Pharma LLC	USA	Subsidiary	**100%**	100%
40. Aurobindo Pharma NZ Limited[7]	New Zealand	Subsidiary	**100%**	100%
41. Aurovida Farmaceutica S.A. de C.V.	Mexico	Subsidiary	**100%**	100%
42. Auro Health LLC	USA	Subsidiary	**100%**	100%
43. Aurobindo Antibiotics Limited	India	Subsidiary	**100%**	100%
44. Aurobindo Pharma Colombia S.A.S. (w.e.f. January 28, 2014)	Colombia	Subsidiary	**100%**	100%
45. Aurovitas, Unipessoal Lda (w.e.f. March 25, 2014)[8]	Portugal	Subsidiary	**100%**	100%
46. Curepro Parenterals Limited (w.e.f. April 19, 2013)	India	Subsidiary	**100%**	100%
47. Eugia Pharma Specialities Limited (w.e.f. May 2, 2013)	India	Subsidiary	**60%**	60%
48. Hyacinths Pharma Private Limited (w.e.f. October 1, 2013)	India	Subsidiary	**100%**	100%
49. Silicon Life Sciences Private Limited (w.e.f. October 11, 2013)	India	Subsidiary	**100%**	100%
50. AuroZymes Limited (w.e.f. November 28, 2013)	India	Subsidiary	**100%**	100%
51. Aurovitas S.L. (Upto December 2, 2014)[9]	Spain	Subsidiary	**–**	–
52. Aurex B.V.[10]	The Netherlands	Subsidiary	**100%**	–
53. Arrow Generiques SAS (w.e.f. April 1, 2014)[11]	France	Subsidiary	**100%**	–
54. Actavis France SAS (w.e.f. April 1, 2014)[11]	France	Subsidiary	**100%**	–
55. Actavis Management GmbH (w.e.f. April 1, 2014)[11]	Germany	Subsidiary	**100%**	–
56. Actavis Deutschland GmbH & Co., KG (w.e.f. April 1, 2014)[11]	Germany	Subsidiary	**100%**	–
57. Aurovitas Spain S.A. (formerly Actavis Spain S.A.) (w.e.f. April 1, 2014)[11]	Spain	Subsidiary	**100%**	–
58. Actavis B.V. (w.e.f. April 1, 2014)[11]	The Netherlands	Subsidiary	**100%**	–
59. Natrol LLC (w.e.f. December 4, 2014)[11]	USA	Subsidiary	**100%**	–

Notes:

1 Liquidated w.e.f. September 11, 2013.

2 Agile Malta Holdings Limited was merged with Aurobindo Pharma (Malta) Limited w.e.f. January 1, 2015.

3 Liquidated w.e.f. October 9, 2013.

4 Aurobindo Pharma France SARL merged with Arrow Generiques SAS w.e.f. April 1, 2014.

5 Liquidated w.e.f. June 28, 2013.

6 Liquidated w.e.f. December 18, 2014.

7 Aurobindo Pharma NZ Limited, New Zealand was incorporated during the year 2011-12 and there was no activity during the year ended March 31, 2015 and March 31, 2014; hence, the same have not been consolidated.

8 Aurovitas, Unipessoal Lda, Portugal was incorporated during the previous year with nominal investment and there was no activity during the period ended March 31, 2014; hence, the same had not been consolidated during the previous year.

9 Aurovitas S.L. was incorporated during the year and closed w.e.f. December 2, 2014.

10 Aurex B.V. was incorporated during the year.

11 Acquired during the year.

The figures for the subsidiaries have been considered from the date of acquisition/upto the date of disposal/closure as applicable.

b. Change in accounting policy

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

i. Pursuant to the requirements of Schedule II to the Companies Act, 2013, which allows Companies to use higher/lower useful lives and residual values, the management of the Company had reassessed the useful lives of fixed assets held as at April 1, 2014. Based on such internal technical reassessment the Company has accounted for additional depreciation amounting to ₹505.2 million. Further based on transitional provisions, an amount of ₹196.4 million (net of deferred tax) has been adjusted with opening retained earnings.

ii. Till year ended March 31, 2014, the Group/ Consolidated Entities was charging 100% depreciation on assets costing less than ₹5,000 in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Group/Consolidated Entities are depreciating such assets over their useful life as assessed by the management. The change in accounting for depreciation of assets costing less than ₹5,000 did not have any material impact on financial statements of the Group/Consolidated Entities 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. Indirect expenditure is capitalized to the extent those which 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. Premium paid on leasehold land is amortized over the lease term.

vi. Depreciation is provided on the straight-line method, based on the useful life of the assets as estimated by the management. The parent company has estimated the following useful lives to provide depreciation on its fixed assets.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

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

i. 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.

ii. 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

i. 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.

ii. 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.

iii. 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.

iv. 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

i. 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 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.

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.

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 Ltda; All Pharma (Shanghai) Trading Company Limited; APL Holdings (Jersey) Limited; Aurobindo Pharma Japan K.K.; Agile Malta Holdings

Limited; Laboratorios Aurobindo Sociedad Limitada, S.L.; Aurobindo Pharma (Italia) S.r.l.; Aurobindo Pharma (Portugal) Unipessoal Lda; Aurobindo Pharma France SARL; Aurobindo Pharma GmbH; Aurobindo ILAC Sanayi ve Ticaret Limited Sirketi; Novagen Pharma (Pty) Limited; Aurobindo Pharma (Singapore) Pte Limited; Aurobindo Pharma B.V.; Aurobindo Pharma (Romania) s.r.l.; Aurobindo Pharma Limited, s.r.l.; Aurovida Farmaceutica SA de CV; Aurobindo Pharma NZ Limited; Aurobindo Pharma Colombia S.A.S.; Aurovitas Unipessoal Lda; Aurovitas S.L. and 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 recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

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 is lessee

Finance leases, where the substantial risks and benefits incidental to ownership of the leased items are transferred to the Group, 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 consolidated 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 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 consolidated profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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 recognized when the Group/Consolidated Entities has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet 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 recognized 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

			As at March 31, 2015	As at March 31, 2014
2.	**SHARE CAPITAL**			
	AUTHORISED	660,000,000 (March 31, 2014: 660,000,000)		
		equity shares of ₹1 each	**660.0**	660.0
		1,000,000 (March 31, 2014: 1,000,000)		
		preference shares of ₹100 each	**100.0**	100.0
			760.0	760.0
	ISSUED, SUBSCRIBED			
	AND FULLY PAID-UP SHARES			
		291,982,275 (March 31, 2014: 291,457,021)		
		equity shares of ₹1 each	**292.0**	291.5
		TOTAL	**292.0**	291.5

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	As at March 31, 2015		As at March 31, 2014	
	Numbers	**₹**	Numbers	₹
Equity shares				
At the beginning of the year	**291,457,021**	**291.5**	291,211,290	291.2
Issued during the year under employee stock option plan	**525,254**	**0.5**	245,731	0.3
Outstanding at the end of the year	**291,982,275**	**292.0**	291,457,021	291.5

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, 2015, the amount of dividend per share recognized as distributions to equity shareholders was ₹4.5 (March 31, 2014: ₹3) including interim dividend of ₹4.5 (March 31, 2014: ₹3).

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 parent company

	As at March 31, 2015		As at March 31, 2014	
	Numbers	**% holding**	Numbers	% holding
Mr. P.V. Ramprasad Reddy	**9,000,000**	**3.08**	19,481,440	6.68
Mrs. P. Suneela Rani	**100,661,990**	**34.48**	90,830,550	31.16
	109,661,990		110,311,990	

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. 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, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

			As at March 31, 2015	As at March 31, 2014
3.	**RESERVES AND SURPLUS**			
	CAPITAL RESERVE		**91.1**	91.1
		Add: On acquisition of subsidiaries [Refer Note 34(i)]	**727.8**	–
			818.9	91.1
	CAPITAL REDEMPTION RESERVE		**90.0**	90.0
	SECURITIES PREMIUM ACCOUNT	As per last Balance Sheet	**4,241.5**	4,207.2
		Add: Premium on exercise of employee stock options	**67.1**	34.3
			4,308.6	4,241.5
	GENERAL RESERVE			
		As per last Balance Sheet	**7,549.9**	6,377.8
		Add: Transferred from Consolidated Statement of Profit and Loss	**–**	1,172.1
			7,549.9	7,549.9
	FOREIGN CURRENCY TRANSLATION RESERVE			
		As per last Balance Sheet	**1,317.1**	613.7
		Add: Current year translation adjustment	**(735.9)**	703.4
			581.2	1,317.1
	SURPLUS IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS			
		Balance as per last financial statements	**23,920.4**	14,386.6
		Profit for the year	**15,757.7**	11,728.5
		Less: Appropriations		
		On equity shares of ₹1 each		
		Interim dividend @ ₹4.5 (March 31, 2014: ₹3)	**1,312.8**	874.1
		Tax on dividend	**250.4**	148.5
		Depreciation [Net of deferred tax of ₹82.3 (March 31, 2014: ₹Nil)] Refer Note 1(b)	**196.4**	–
		Transfer to general reserve	**–**	1,172.1
		Total appropriations	**1,759.6**	2,194.7
	NET SURPLUS IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS		**37,918.5**	23,920.4
		TOTAL	**51,267.1**	37,210.0

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

4. LONG-TERM BORROWINGS

	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	**As at March 31, 2015**	As at March 31, 2014
From banks - Secured				
Term loans - Foreign currency	**7,231.9**	10,617.4	**3,899.2**	1,109.5
Term loans - Rupee loans	**503.5**	395.7	**–**	138.3
	7,735.4	11,013.1	**3,899.2**	1,247.8
From banks - Unsecured				
Term loans - Foreign currency	**5,462.4**	1,240.3	**1,843.9**	–
	5,462.4	1,240.3	**1,843.9**	–
Other loans - Unsecured				
Deferred sales tax loan	**416.9**	540.2	**132.1**	104.4
	416.9	540.2	**132.1**	104.4
Amount disclosed under the head				
'Other current liabilities' (Refer Note 9)			**(5,875.2)**	(1,352.2)
TOTAL	**13,614.7**	12,793.6	**–**	–
The above amount includes				
Secured borrowings	**7,735.4**	11,013.1	**3,899.2**	1,247.8
Unsecured borrowings	**5,879.3**	1,780.5	**1,976.0**	104.4

i. Secured term loans in foreign currency amounting to ₹10,208.3 carry interest in the range of LIBOR plus 2% to 2.5%. Out of these loans, loans amounting to ₹4,270.8 are repayable in 3 equal installments in 4th, 5th, 6th years from the respective final draw down dates, and loans amounting to ₹2,187.5 are 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 term loans in foreign currency amounting to ₹78.1 carry an interest of 6 month LIBOR plus 5% with interest payments at monthly intervals (current interest rate being 5.09% per annum). The term loans in foreign currency 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 ₹677.1 carry interest rate of LIBOR plus 3% and is payable over a period of 20 years in equal monthly installments and the last installment is payable in October, 2031. Secured term loans in foreign currency amounting to ₹13.9 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 May, 2016. Secured term loans in foreign currency amounting to ₹38.7 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. Secured term loans in foreign currency amounting to ₹12.2 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. Secured term loans in foreign currency amounting to ₹37.7 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. Secured term loans in foreign currency amounting to ₹65.1 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, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

iv. Secured term loans in Indian rupee amounting to ₹503.5 carry interest rate of 11.25% per annum and is payable in 15 quarterly installments starting from September, 2017. The loan is secured by first charge on entire fixed assets both present and future and second charge on the current assets, both present and future of Eugia Pharma Specialities Limited and pledge of shares held by Celon Laboratories Ltd of Eugia Pharma Specialities Limited.

v. Unsecured term loans in foreign currency amounting to ₹806.3 carry interest rate of 1 month EUR LIBOR plus 1.35% and is payable over a period of 3 years upto 2016-17.

vi. Unsecured term loans in foreign currency amounting to ₹3,750.0 carry interest rate of LIBOR plus 1.05% and is payable in equal quarterly installments upto December 2019. Unsecured term loans in foreign currency amounting to ₹2,750.0 carry interest rate of LIBOR plus 1.25% and is payable in equal quarterly installments upto December 2017.

vii. Deferred sales tax loan is interest free and payable in various installments as per sales tax deferment scheme. The last installment is payable in 2028-29.

	As at March 31, 2015	As at March 31, 2014
5. DEFERRED TAX ASSETS AND LIABILITY		
Deferred tax liabilities consists of		
Differences in depreciation as per tax books and financial books	**2,390.8**	2,239.8
Provision made towards doubtful trade receivables/loans and advances	**(79.5)**	(63.5)
Retirement benefits	**(206.0)**	(122.1)
Business loss	**–**	–
Total deferred tax liabilities	**2,105.3**	2,054.2
Deferred tax assets consists of		
Others	**47.5**	0.5
Total Deferred tax assets	**47.5**	0.5

6. PROVISIONS

	Long-term		**Short-term**	
	As at March 31, 2015	As at March 31, 2014	**As at March 31, 2015**	As at March 31, 2014
For employee benefits				
Gratuity (Refer Note 32)	**243.1**	91.8	**30.5**	30.1
Compensated absences	**0.4**	-	**354.5**	266.6
	243.5	91.8	**385.0**	296.7
Other provisions				
For proposed dividend	**–**	–	**292.0**	510.1
For tax on proposed dividend	**–**	–	**59.4**	86.7
Provision for income tax (Net of advance tax)	**–**	–	**1,446.0**	372.5
	–	–	**1,797.4**	969.3
TOTAL	**243.5**	91.8	**2,182.4**	1,266.0

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	As at March 31, 2015	As at March 31, 2014
7. SHORT-TERM BORROWINGS		
Loans repayable on demand from banks - Working capital loans		
Cash credit facilities (Secured)	**372.7**	68.4
Buyers credit (Secured)	**–**	4,111.4
Buyers credit (Unsecured)	**784.6**	25.1
Packing credit loans (Secured)	**8,259.0**	5,736.1
Packing credit loans (Unsecured)	**12,677.4**	7,884.5
Bill discounting facility (Secured)	**553.1**	800.0
Bill discounting facility (Unsecured)	**1,316.2**	592.2
Short term loans (Secured)	**–**	3,087.6
Short term loans - Others (Unsecured)	**50.0**	–
Short term loans from banks (Unsecured)	**1,007.8**	1,240.3
TOTAL	**25,020.8**	23,545.6
The above amount includes		
Secured borrowings	**9,184.8**	13,803.5
Unsecured borrowings	**15,836.0**	9,742.1
	25,020.8	23,545.6

Secured loans amounting to ₹9,184.8 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.

8. TRADE PAYABLES		
Trade payables for supplies and services	**20,511.2**	13,512.0

9. OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings (Refer Note 4)	**5,875.2**	1,352.2
Payables for capital goods	**970.0**	435.2
Trade deposits	**9.8**	2.8
Unclaimed dividend	**12.5**	8.6
Interest accrued but not due on borrowings	**87.4**	117.2
Advances from customers	**44.6**	134.6
Other payables		
Statutory liabilities	**414.4**	216.3
Others	**6,235.7**	1,609.9
TOTAL	**13,649.6**	3,876.8

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(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, 2013	60.7	556.1	137.9	7,390.8	24,866.8	745.5	170.7	359.3	34,287.8
Additions	–	325.2	7.6	643.9	1,425.0	52.2	13.4	34.4	2,501.7
Disposals	–	–	–	16.7	179.6	1.7	23.2	3.0	224.2
Additions on acquisition	–	89.9	–	115.6	194.8	0.6	0.1	–	401.0
Other adjustments									
Exchange differences	–	24.7	12.1	151.9	235.6	16.4	3.1	7.5	451.3
At March 31, 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	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**
Depreciation									
At April 1, 2013	8.1	0.1	17.4	1,002.3	8,377.5	316.8	52.3	122.8	9,897.3
Charge for the year	1.5	–	4.6	259.5	2,032.9	64.0	21.2	26.8	2,410.5
Disposals	–	–	–	4.0	93.0	1.1	16.0	1.8	115.9
Additions on acquisition	–	–	–	4.3	10.8	–	–	–	15.1
Other adjustments									
Exchange differences	–	–	2.4	14.4	59.2	8.3	2.0	4.1	90.4
At March 31, 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	–	–	–	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**
Net Block									
At March 31, 2014	51.1	995.8	133.2	7,009.0	16,155.2	425.0	104.6	246.3	25,120.2
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**

Capital work-in-progress ₹4,071.8 (March 31, 2014: ₹2,947.8).

1. The title deeds of land and buildings aggregating to ₹161.9 (March 31, 2014: ₹154.5) are pending transfer to the Company's name.
2. Depreciation for the year include ₹2.3 (March 31, 2014: ₹0.3) taken as pre-operative capital expenditure on capital projects pending capitalization.
3. Details of finance lease (Refer Note 37).
4. Land of one of the subsidiary to the extent of 100.44 acres amounting to ₹99.0 (March 31, 2014: ₹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.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

11. FIXED ASSETS - INTANGIBLE ASSETS

	Goodwill on consolidation	Goodwill on acquisition	Brands	Product development cost	Licences and patents	Total
GROSS BLOCK						
At April 1, 2013	554.4	–	–	246.0	2,546.5	3,346.9
Additions	8.9	–	–	40.4	368.9	418.2
Disposals	–	–	–	–	21.5	21.5
Additions on acquisition	95.3	–	–	–	–	95.3
Other adjustments						
Exchange differences	105.2	–	–	0.2	467.7	573.1
At March 31, 2014	763.8	–	–	286.6	3,361.6	4,412.0
Additions	–	–	–	39.8	355.0	394.8
Disposals	–	–	–	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**
Amortization						
At April 1, 2013	–	–	–	89.2	1,259.5	1,348.7
Charge for the year	–	–	–	37.8	677.2	715.0
Disposals	–	–	–	–	2.3	2.3
Other adjustments						
Exchange differences	–	–	–	2.0	252.1	254.1
At March 31, 2014	–	–	–	129.0	2,186.5	2,315.5
Charge for the year	–	–	58.3	34.9	179.5	272.7
Disposals	–	–	–	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**
Net Block						
At March 31, 2014	763.8	–	–	157.6	1,175.1	2,096.5
At March 31, 2015	**640.2**	**4,692.8**	**1,777.8**	**13.3**	**1,282.6**	**8,406.7**

Intangible assets under development ₹124.5 (March 31, 2014: ₹149.4).

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

			As at March 31, 2015	As at March 31, 2014
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
	iv.	Nil (10%) of paid-in-Capital of Sino-Pharma Group		
		Weiqida Zhong Khag Pharma Company Limited	**–**	196.2
		(formerly Aurobindo (Datong) Bio-Pharma Company Limited, China)		
		TOTAL (A)	**1.2**	197.4
	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	**0.2**	0.2
		income tax authorities (March 31, 2014: ₹0.07)]		
		TOTAL (B)	**0.2**	0.2
		TOTAL (A+B)	**1.4**	197.6
	Notes:			
		1. Aggregate value of unquoted investments	**1.4**	197.6
		2. Aggregate provision for diminution in the value of investments	**–**	–

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	**As at March 31, 2015**	As at March 31, 2014
13. LOANS AND ADVANCES				
(Unsecured, considered good except stated otherwise)				
Capital advances				
Considered good	**852.1**	429.3	**–**	–
Doubtful	**0.8**	0.8	**–**	–
	852.9	430.1	**–**	–
Provision for doubtful advances	**0.8**	0.8	**–**	–
TOTAL (A)	**852.1**	429.3	**–**	–
Trade deposit				
Considered good*	**370.6**	340.9	**0.4**	6.3
Doubtful	**0.4**	0.4	**–**	–
	371.0	341.3	**0.4**	6.3
Provision for doubtful deposit	**0.4**	0.4	**–**	–
TOTAL (B)	**370.6**	340.9	**0.4**	6.3
Advances recoverable in cash or kind				
Considered good	**24.6**	44.7	**2,149.5**	1,109.7
Doubtful	**30.1**	35.1	**–**	–
	54.7	79.8	**2,149.5**	1,109.7
Provision for doubtful advances	**30.1**	35.1	**–**	–
TOTAL (C)	**24.6**	44.7	**2,149.5**	1,109.7
Other loans and advances				
Advance income tax (Net of provision for taxation)	**439.4**	367.3	**69.7**	90.9
MAT credit entitlement	**2,610.1**	2,510.6	**–**	–
Share application money to others	**33.9**	–	**–**	–
Intercorporate deposit	**–**	–	**10.0**	–
Advance for long term investment**	**–**	4,009.1	**–**	–
Loans to employees	**55.3**	32.7	**83.7**	77.0
Export rebate claims receivable	**–**	–	**1,805.2**	1,399.7
Balances with statutory/government authorities				
Considered good	**166.7**	155.8	**1,565.7**	1,088.3
Doubtful	**38.1**	–	**–**	–
	204.8	155.8	**1,565.7**	1,088.3
Provision for doubtful advances	**38.1**	–	**–**	–
	166.7	155.8	**1,565.7**	1,088.3
TOTAL (D)	**3,305.4**	7,075.5	**3,534.3**	2,655.9
TOTAL (A+B+C+D)	**4,552.7**	7,890.4	**5,684.2**	3,771.9

Refer Note 41 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, 2014: ₹32.6).

** Advance paid was under escrow bank account towards acquisition of investment which was completed in April 2014.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	**As at March 31, 2015**	As at March 31, 2014
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	**–**	–	**668.8**	235.9
Doubtful	**32.2**	48.3	**703.1**	311.7
	32.2	48.3	**1,371.9**	547.6
Provision for doubtful receivables	**32.2**	48.3	**703.1**	311.7
TOTAL (A)	**–**	–	**668.8**	235.9
Others				
Considered good	**–**	–	**34,722.9**	26,129.8
Doubtful	**–**	–	**144.9**	–
	–	–	**34,867.8**	26,129.8
Provision for doubtful receivables	**–**	–	**144.9**	–
TOTAL (B)	**–**	–	**34,722.9**	26,129.8
TOTAL (A+B)	**–**	–	**35,391.7**	26,365.7

Refer Note 42 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, 2015	As at March 31, 2014
15. OTHER CURRENT ASSETS		
(Unsecured, considered good unless stated otherwise)		
Insurance claim receivable	**92.7**	1.7
Export incentives receivable	**710.0**	676.4
Assets held for sale	**83.2**	–
Interest accrued on deposits	**25.6**	24.3
Receivables – Others		
Considered good	**–**	10.3
Doubtful	**–**	2.6
	–	12.9
Provision for doubtful receivables	**–**	(2.6)
	–	10.3
TOTAL	**911.5**	712.7
16. OTHER NON-CURRENT ASSETS		
(Unsecured, considered good unless stated otherwise)		
Export incentives receivable	**285.2**	163.0
Non-current bank balances (Refer Note 19)	**17.3**	21.0
	302.5	184.0

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	As at March 31, 2015	As at March 31, 2014
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, 2014: ₹7.0)]		
10% (Nil) of paid-in-capital of Sino-Pharma Group		
Weiqida Zhong Khag Pharma Company Limited	**196.2**	–
(formerly Aurobindo (Datong) Bio-Pharma Company Limited, China)		
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	**0.3**	0.3
TOTAL	**196.5**	0.3
1. Aggregate value of unquoted investments	**196.2**	–
2. Aggregate value of quoted investments	**0.3**	0.3
3. Market value of quoted investments	**0.3**	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 ₹334.0 (March 31,2014: ₹680.2)]	**12,350.5**	9,779.6
Packing materials	**1,613.2**	1,353.2
Work-in-progress	**7,616.8**	5,681.1
Finished goods [includes in-transit ₹322.1 (March 31,2014: ₹178.7)]	**7,139.1**	5,918.4
Trading goods	**6,229.2**	122.5
Stores, spares and consumables	**1,164.2**	820.6
TOTAL	**36,113.0**	23,675.4

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	**As at March 31, 2015**	As at March 31, 2014
19. CASH AND BANK BALANCES				
Cash and cash equivalents				
Cash on hand			**7.9**	7.6
Balances with banks:				
On current accounts	**–**	–	**4,316.0**	1,447.4
On cash credit accounts	**–**	–	**15.3**	16.5
Deposits with original maturity of less than 3 months			**153.9**	0.1
On unpaid dividend account	**–**	–	**12.5**	8.6
	–	–	**4,505.6**	1,480.2
Other bank balances				
Deposits with original maturity for more than 12 months	**–**	–	**39.5**	5.2
Deposits with original maturity for more than 3 months but less than 12 months	**–**	–	**138.8**	290.5
Margin money deposit*	**17.3**	21.0	**7.2**	9.9
	17.3	21.0	**185.5**	305.6
Amount disclosed under non–current assets (Refer Note 16)	**(17.3)**	(21.0)		
	–	–	**4,691.1**	1,785.8

*Given against bank guarantees and performance guarantees

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

		Year ended March 31, 2015	Year ended March 31, 2014
20.	**REVENUE FROM OPERATIONS (GROSS)**		
	Sale of finished goods	**95,522.2**	79,921.1
	Sale of traded goods	**26,135.3**	1,760.8
	Sale of services	**294.9**	296.6
	Other operating revenue		
	Scrap sales	**71.5**	56.6
	Export incentives	**701.4**	556.5
	TOTAL	**122,725.3**	82,591.6
21.	**OTHER INCOME**		
	Interest income on		
	Bank deposits	**16.5**	7.8
	Others advances and deposits	**139.1**	30.0
	Dividend income on current investments - trade	**–**	–
	Balances no longer required written back (Net)	**232.5**	10.8
	Bad debts written off recovered from trade receivables (Net)	**85.3**	7.6
	Foreign exchange gain (Net)	**159.6**	–
	Profit on current investments (Net)	**–**	4.7
	Commission income	**26.7**	18.4
	State subsidy received	**135.1**	4.4
	Miscellaneous income	**172.3**	131.9
	TOTAL	**967.1**	215.6
22.	**COST OF MATERIALS CONSUMED**		
	Raw material consumed		
	Opening stock [Includes inventories on acquisition of subsidiary ₹384.3 (March 31, 2014: ₹35.6)]	**10,163.9**	7,332.9
	Add: Purchases	**39,307.5**	34,325.5
		49,471.4	41,658.4
	Less: Closing stock	**12,350.5**	9,779.6
	Cost of raw material consumed	**37,120.9**	31,878.8
	Adjustment for fluctuation in exchange rates	**47.4**	48.0
	Packing materials consumed	**4,059.8**	3,303.9
	TOTAL	**41,228.1**	35,230.7

		Year ended March 31, 2015	Year ended March 31, 2014	(Increase)/decrease March 31, 2015
23.	**INCREASE IN WORK-IN-PROGRESS, TRADED AND FINISHED GOODS**			
	Inventories at the beginning of the year			
	Traded goods includes inventories on acquisition of subsidiaries ₹6,703.6 (March 31, 2014: ₹Nil)	**6,826.1**	185.6	596.9
	Work-in-progress [Includes inventories on acquisition of subsidiary ₹263.8 (March 31, 2014: ₹24.7)]	**5,944.9**	5,096.9	(1,671.9)
	Finished goods (Includes inventories on acquisition of subsidiary ₹667.5 (March 31, 2014: ₹0.2)	**6,585.9**	5,139.0	(553.2)
		19,356.9	10,421.5	(1,628.2)
	Inventories at the end of the year			March 31, 2014
	Traded goods	**6,229.2**	122.5	63.1
	Work-in-progress	**7,616.8**	5,681.1	(584.2)
	Finished goods	**7,139.1**	5,918.4	(779.4)
		20,985.1	11,722.0	(1,300.5)
		(1,628.2)	(1,300.5)	
	On account of stock write off	**574.4**	520.9	
	Adjustment for fluctuation in exchange rates	**1,092.2**	(801.4)	
		(3,294.8)	(1,020.0)	

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Year ended March 31, 2015	Year ended March 31, 2014
24. EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and bonus	**11,402.5**	7,468.5
Contribution to provident and other funds	**447.5**	247.1
Retirement benefits (Refer Note 32)	**332.9**	92.6
Staff welfare expenses	**839.7**	216.1
TOTAL	**13,022.6**	8,024.3

25. OTHER EXPENSES		
Conversion charges	**487.5**	422.0
Consumption of stores and spares	**1,233.9**	841.3
Chemicals consumed	**1,222.3**	956.3
Power and fuel	**3,596.0**	3,498.4
Carriage inward	**713.5**	507.3
Factory maintenance	**295.6**	226.0
Effluent treatment expenses	**125.5**	86.9
(Increase)/decrease of excise duty on inventory (Refer Note 39)	**2.7**	(1.1)
Repairs and maintenance		
i. Plant and machinery	**608.5**	428.1
ii. Buildings	**332.1**	208.5
iii. Others	**101.1**	37.2
Rent	**525.1**	157.8
Rates and taxes	**1,083.4**	465.4
Printing and stationery	**153.8**	123.4
Postage and telephones	**180.0**	90.2
Insurance	**417.3**	297.4
Legal and professional charges	**2,217.3**	683.8
Directors sitting fees	**2.4**	0.9
Remuneration to auditors	**10.9**	8.2
Sales commission	**409.6**	350.6
Carriage outwards	**4,610.9**	2,335.9
Selling expenses	**3,608.5**	798.3
Rebates and discounts	**160.8**	111.2
Travelling and conveyance	**542.1**	242.4
Vehicle maintenance expenses	**153.4**	78.9
Analytical charges	**640.8**	573.1
Donations	**17.7**	11.6
Registration, license and filing charges	**1,452.2**	737.8
Foreign exchange loss (Net)	**–**	8.3
Product development expenses	**253.0**	50.9
Product destruction expenses/stock written off	**574.4**	520.9
Software license and implementation expenses	**79.3**	27.6
Provision for doubtful receivables/advances (Net)	**365.0**	48.8
Loss on sale/write-off of fixed assets (Net)	**156.9**	37.6
Corporate Social Responsibility (CSR) expenditure*	**81.3**	–
Miscellaneous expenses	**1,075.6**	604.8
	27,490.4	15,576.7

* The parent company has spent ₹81.3 towards CSR activities out of total requirement of ₹140.0 as per Section 135 of the Companies Act, 2013.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Year ended March 31, 2015	Year ended March 31, 2014
26. DEPRECIATION/AMORTIZATION		
Depreciation of tangible assets	**3,332.1**	2,410.2
Less: Transfer to retained earnings	**278.7**	–
	3,053.4	2,410.2
Amortization of intangible assets	**272.7**	715.1
	3,326.1	3,125.3
27. FINANCE COSTS		
Interest	**708.6**	937.9
Bank charges	**134.5**	141.5
Exchange difference to the extent considered as an adjustment to borrowing costs	**755.6**	2,022.2
	1,598.7	3,101.6

28. Capital and other commitments

a. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for ₹4,085.1 (March 31, 2014: ₹1,626.9).

b. Export commitment against import of machinery without duty ₹49.8 (March 2014: ₹55.3).

29. Contingent liabilities

	As at March 31, 2015	As at March 31, 2014
Outstanding bank guarantees	**722.6**	774.4
Claims arising from disputes not acknowledged as debts - direct taxes*	**308.8**	105.0
Claims arising from disputes not acknowledged as debts - indirect taxes		
(excise duty, VAT and service tax)*#	**772.1**	223.3
Claims against the Group not acknowledged as debts - other duties/claims*	**150.3**	150.3
Bills discounted with banks	–	260.6

* in respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums/authorities.

Excludes ₹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. The income tax authorities had carried out search operations on the parent company at certain locations in February, 2012. The parent company has fully co-operated with the authorities and various statements were recorded during the course of these operations. In order to avoid possible litigations, without admitting any irregularities, the parent company had decided to offer an additional income and to pay the resultant tax. Accordingly, provision for income tax of ₹48.7 on this additional income had been made during the year 2011-12. The proceedings are in progress and no other material implications are expected by the management in this matter.

31. Employee stock options

a. 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 09, 2013; January 28, 2013 and August 9, 2013 respectively. The method of settlement under scheme is by issue of equity shares of the parent 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

The details of options outstanding of ESOP 2006 Scheme:

	As at March 31, 2015	As at March 31, 2014
Options outstanding at the beginning of the year	**2,131,369**	2,464,000
Granted during the year	**–**	30,000
Vested/exercisable during the year	**474,570**	312,900
Exercised during the year	**525,254**	245,731
Forfeited during the year subject to reissue	**49,970**	116,900
Options outstanding at end of the year	**1,556,145**	2,131,369
Exercisable at the end of the year	**22,548**	78,229
Weighted average exercise price for all the above options (₹)	**107.52**	106.27
Weighted average fair value of options at the date of grant (₹)	**127.63**	126.14

	Range of exercise prices (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)
As at March 31, 2015	**91 to 201**	**1,556,145**	**3.41**
As at March 31, 2014	91 to 201	2,131,369	4.35

b. Disclosure 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, 2015	Year ended March 31, 2014
Profit after taxation			
As reported in Consolidated Statement of Profit and Loss		**15,757.7**	11,728.5
Less: Additional employee compensation cost based on Fair Value		**23.6**	8.1
Profit after taxation as per Fair Value Method		**15,734.1**	11,720.4
Earnings per share			
Basic			
No. of shares		**291,538,092**	291,247,060
EPS as reported	(₹)	**54.05**	40.27
EPS as per Fair Value Method	(₹)	**53.97**	40.24
Diluted			
No. of shares		**291,783,902**	291,581,834
EPS as reported	(₹)	**54.00**	40.22
EPS as per Fair Value Method	(₹)	**53.92**	40.20

The following assumptions were used for calculation of fair value of grants:

		As at March 31, 2015 ESOP 2006	As at March 31, 2014 ESOP 2006
Risk-free interest rate	(%)	**8**	8
Expected life of options	(Years)	**6**	6
Expected volatility	(%)	**0.15**	0.15
Dividend yield	(₹)	**0.61**	0.61

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

32. Retirement benefits

		Year ended March 31, 2015	Year ended March 31, 2014
a.	**Disclosures related to defined contribution plan**		
	Provident fund contribution recognized as expense in the Consolidated Statement of Profit and Loss	**155.5**	101.2

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 summarize 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, 2015	Year ended March 31, 2014
Net employee benefit expense (included under employee benefit expenses)		
Current service cost	**54.8**	55.0
Interest cost on benefit obligation	**36.0**	29.5
Expected return on plan assets	**(19.0)**	(18.3)
Net actuarial (gain)/loss recognized in the year	**101.7**	(36.5)
Net benefit expense*	**173.5**	29.7
Actual return on plan assets	**19.6**	18.2

*includes ₹1.4 transferred to capital work-in-progress

Consolidated Balance Sheet

	As at March 31, 2015	As at March 31, 2014
Details of provision for gratuity		
Defined benefit obligation (DBO)*	**503.4**	341.1
Fair value of plan assets (FVPA)**	**246.9**	228.1
Net plan liability	**256.5**	113.0

* DBO as at March 31, 2013: ₹317.7; March 31, 2012: ₹240.9 and March 31, 2011: ₹193.3.
** FVPA as at March 31, 2013: ₹202.7; March 31, 2012: ₹174.7 and March 31, 2011: ₹102.3.

Changes in the present value of the defined benefit obligation for gratuity are as follows:

	Year ended March 31, 2015	Year ended March 31, 2014
Opening defined benefit obligation	**341.1**	317.7
Current service cost	**54.8**	55.0
Interest cost	**36.0**	29.5
Benefits paid	**(30.8)**	(24.6)
Actuarial (gains)/losses on obligation*	**102.3**	(36.5)
Closing defined benefit obligation	**503.4**	341.1

* Experience adjustments on plan liabilities March 31, 2015: ₹12.9; March 31, 2014: ₹9.7; March 31, 2013: ₹4.8; March 31, 2012: ₹12.6 and March 31, 2011: ₹9.6.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Changes in fair value of plan assets

	Year ended March 31, 2015	Year ended March 31, 2014
Opening fair value of plan assets	**228.1**	202.7
Expected return	**19.0**	18.3
Contributions by employer	**30.0**	31.8
Benefits paid	**(30.8)**	(24.6)
Actuarial gains/(losses)*	**0.6**	(0.1)
Closing fair value of plan assets	**246.9**	228.1

* Experience adjustments on plan assets March 31, 2015: ₹0.6; March 31, 2014: (₹0.1); March 31, 2013: ₹0.3; March 31, 2012: ₹3.3 and March 31, 2011: ₹0.7.

The principal assumptions used in determining gratuity obligations for the parent company's plans are shown below:

		As at March 31, 2015	As at March 31, 2014
Discount rate (p.a.)	(%)	**7.90**	9.35
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 investments 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 ₹30.0 (March 31, 2014: ₹30.0) to the qualifying insurance policy in 2015-16.
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 ₹12.0 (March 31, 2014: ₹3.9) and net plan liability of ₹17.2 (March 31, 2014: ₹8.9) relating to other components of the Group/Consolidated entities.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

33. Expenditure during construction period pending capitalization

	As at March 31, 2015	As at March 31, 2014
Balance brought forward	**530.5**	506.9
Add: Incurred during the year		
Salaries, wages and bonus	**113.1**	26.2
Staff welfare expenses	**1.3**	0.7
Consumption of stores and spares	**11.1**	2.0
Carriage inwards	**0.6**	0.1
Power and fuel	**23.8**	9.1
Conversion charges	**1.7**	2.9
Rates and taxes	**9.8**	0.3
Registration, licence and filing fee	**1.4**	2.7
Printing and stationery	**0.4**	0.5
Postage and telephones	**1.9**	0.2
Insurance	**0.9**	0.5
Legal and professional charges	**0.7**	0.7
Travelling and conveyance	**5.1**	1.7
Factory maintenance	**5.9**	1.5
Bank charges	**0.7**	1.8
Repairs and maintenance	**2.7**	1.2
Office maintenance	**–**	0.1
Rent	**2.2**	4.6
Product development expenses	**6.7**	0.3
Depreciation	**2.3**	0.3
Interest	**34.7**	0.3
Miscellaneous expenses	**12.5**	8.6
	770.0	573.2
Less: Income during the construction period	**–**	0.5
Less: Capitalized to fixed assets during the year	**247.3**	42.2
Balance carried forward	**522.7**	530.5

34. Acquisition of subsidiaries

i. Effective April 1, 2014, Agile Pharma B.V., the ultimate subsidiary of APL, 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

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 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

ii. Effective December 4, 2014, Aurobindo Pharma USA Inc., U.S.A., the subsidiary of APL, acquired the assets including bussiness 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 estimates and third party technical evaluation for the various tangible and intangible assets acquired. The following table summarizes the preliminay allocation of purchase price consideration, for the fair values of the assets acquired and liabilities assumed and the determination of goodwill:

Name of the acquired entity	Purchase consideration	Net assets as on the date of acquisition	Goodwill
Natrol LLC., U.S.A.	8,343.8	3,651.0	4,692.8

(All amounts in Indian Rupees million, except share data and where otherwise stated)

The purchase price was allocated to the assets acquired and liabilities assumed based on their estimated fair values on December 4, 2014. The excess of the purchase consideration over the fair value of the net assets acquired has been allocated to goodwill. The preliminary purchase price allocation may be adjusted after obtaining more information regarding, among other items, valuation of assets acquired, liabilites assumed and revisions of preliminay estimates. The preliminary purchase price may also be adjusted for the resolution of legal matters as discussed below between the parties.

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. The complaint sought specific monetary damages relating to this action. Subsequent to that date, the parties reached a settlement on the complaint pursuent to which the Company is entitled to receive consideration in the form of cash, certain global intellectual property rights and other assets. The Company may also be obligated to assume certain disputed liabilities (not included in the initail purchase price allocation). The proposed settlement, as well as the receipt of the aforementioned consideration included therein, is: (a) subject to approval by the bankruptcy court of the district of Delware and (b) dependent on the availability of cash to the sellers, which is subject to further due diligence, analysis and investigative efforts.

As the approvals and conditions have not been received or satisfied as of date, there is, at this time, no basis to record an adjustment to the initial purchase price allocation presented above. Due to the inherent uncertainities in resolving these type of matters, there can be no assurance that the Company will be sucessful in enforcing the terms of the settlement. To the extent that the Company is sucessful in realizing the cash aspect of the settlement and is assigned the use of intellectual property within fiscal 2016, the Company will be required to revalue the amounts ascribed to the initial purchase price allocation. Such amounts could be material.

a. Summary of post acquisition profit/(loss) of the acquired entities included in the Consolidated Statement of Profit and Loss for the year ended March 31, 2015:

Name of the acquired entity	Income	Expenses	Net loss considered in the Consolidated Statement of Profit and Loss
Natrol LLC., U.S.A.	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 October, 2013 the parent company acquired 100% stake in the share capital of Silicon Life Sciences Private Limited ('acquired entity') and Hyacinths Pharma Private Limited ('acquired entity').

The acquisition of the interests in the acquired entities had been accounted in accordance with the accounting principles laid down under AS 21. Accordingly, the 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 entities have been included in the Consolidated Statement of Profit and Loss from the effective dates of acquisition.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

The interest of APL in the net assets of the acquired entities and resulting goodwill as on the date of acquisitions are as given hereunder:

Particulars	Silicon Life Sciences Private Limited	Hyacinths Pharma Private Limited
Purchase consideration	115.8	150.2
Net assets as on the date of acquisition	90.8	79.9
Goodwill	25.0	70.3

a. Summary of post acquisition loss of the acquired entities included in the Consolidated Statement of Profit and Loss for the year ended March 31, 2014

Particulars	Silicon Life Sciences Private Limited	Hyacinths Pharma Private Limited
Income	76.5	–
Expenses	90.5	0.1
Net loss considered in the Consolidated Statement of Profit and Loss	(14.0)	(0.1)

b. The assets and liabilities of the acquired entity included in the Consolidated Balance Sheet as at March 31, 2014 are:

Particulars	Silicon Life Sciences Private Limited	Hyacinths Pharma Private Limited
Liabilities		
Non-current liabilities		
Long-term borrowings	69.2	–
Long-term provisions	0.4	–
Current liabilities		
Trade payables	72.5	–
Other current liabilities	82.4	0.2
Assets		
Non-current assets		
Fixed assets (Net)	300.3	71.3
Capital work-in-progress	–	7.1
Long-term loans and advances	2.3	2.1
Deferred tax asset (Net)	–	0.1
Current assets		
Inventory	19.7	–
Trade receivables	80.2	–
Cash and bank balances	5.2	0.1
Short-term loans and advances	32.6	0.3

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, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

35. Earnings per share

	Year ended March 31, 2015	Year ended March 31, 2014
Consolidated profit after tax and minority interest considered for calculation of basic and diluted earnings per share	**15,757.7**	11,728.5
Weighted average number of equity shares considered for calculation of basic earnings per share (a)	**291,538,092**	291,247,060
Effect of dilution on account of Employee Stock Options granted (b)	**245,810**	334,774
Weighted average number of equity shares considered for calculation of diluted earnings per share (a+b)	**291,783,902**	291,581,834

36. Related party disclosures

i. Names of related parties and description of relationship

a. Enterprises over which key management personnel or 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

Pranit Projects Private Limited, India

Pranit Packaging Private Limited, India

Cogent Glass Limited, India (formerly known as Matri Mirra Packaging Private Limited)

Orem Access Bio Inc, India

Veritaz Healthcare Limited, India

Alex Merchant Pte. Limited, Singapore (formerly known as Trident Chemphar Pte. Limited)

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 (with effect from July 1, 2014)

Mr. A. Mohan Rami Reddy, Company Secretary

c. Relative 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)

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

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, 2015	Year ended March 31, 2014
Pravesha Industries Private Limited, India		
Sale of goods	**0.2**	0.5
Purchase of goods	**1,589.2**	1,388.8
Rent and electricity charges received	**0.3**	1.0
Balance receivable	**–**	9.9
Balance payable	**29.5**	57.1
Sri Sai Packaging, India		
Sale of goods	**0.3**	0.3
Purchase of goods	**169.0**	151.7
Balance payable	**0.2**	–
Balance receivable	**–**	–
Axis Clinicals Limited, India		
Purchase of services	**308.0**	389.6
Balance payable	**22.7**	47.5
Trident Chemphar Limited, India		
Sale of goods	**77.3**	891.5
Purchase of goods	**1,202.5**	558.0
Balance receivable	**–**	132.6
Balance payable	**65.0**	–
Auropro Soft Systems Private Limited, India		
Purchase of goods	**2.5**	6.8
Purchase of services	**3.7**	13.0
Balance receivable	**–**	0.1
Pranit Packaging Private Limited, India		
Purchase of goods	**121.6**	99.9
Sale of goods	**555.0**	0.1
Balance receivable	**0.7**	1.2
Balance payable	**0.1**	–
Pranit Projects Private Limited, India		
Purchase of services (Civil services)	**49.7**	6.1
Balance receivable	**–**	1.3
Cogent Glass Limited, India (formerly known as Matri Mirra Packaging Private Limited)		
Purchase of goods	**446.6**	383.5
Balance payable	**25.6**	66.4
Orem Access Bio Inc, India		
Purchase of goods	**85.5**	54.5
Balance receivable	**–**	–

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Particulars	Year ended March 31, 2015	Year ended March 31, 2014
	Veritaz Healthcare Limited, India		
	Sale of goods	**25.0**	25.6
	Purchase of services	**14.5**	11.1
	Rent received	**0.3**	0.3
	Balance payable	**–**	–
	Balance receivable	**17.8**	19.0
	Alex Merchant Pte. Limited, Singapore		
	Purchase of goods	**309.1**	–
	Balance receivable	**8.4**	–
	Trident Petrochemicals DMCC, Dubai		
	Purchase of goods	**156.3**	–
	Balance receivable	**39.9**	–
b.	**Transactions with key managerial personnel**		
	Mr. K. Nithyananda Reddy		
	Managerial remuneration	**10.5**	10.5
	Rent expense	**2.0**	1.8
	Dr. M. Sivakumaran		
	Managerial remuneration	**10.5**	10.5
	Mr. M. Madan Mohan Reddy		
	Managerial remuneration	**10.5**	10.5
	Mr. P. Sarath Chandra Reddy		
	Directors sitting fees	**0.4**	0.1
	Mr. Vishnu M. Sriram		
	Remuneration	**4.1**	3.8
	Equity allotment–ESOP	**0.2**	–
	Mr. N. Govindarajan		
	Managerial remuneration	**59.7**	59.3
	Equity allotment–ESOP	**11.5**	–
	Balance payable	**40.0**	40.0
	Mr. Sudhir B. Singhi		
	Remuneration (upto June 30, 2014)	**2.5**	–
	Equity allotment–ESOP	**–**	–
	Mr. Santhanam Subramanian		
	Remuneration (with effect from July 1, 2014)	**6.6**	–
	Mr. A. Mohan Rami Reddy		
	Remuneration	**3.9**	–
	Equity allotment–ESOP	**0.2**	–
	Loan outstanding	**0.1**	–

Note: Managerial remuneration does not include provision for gratuity and leave encashment which has been determined for the parent company as a whole.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

37. 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 Consolidated Statement of Profit and Loss is ₹525.1 (March 31, 2014: ₹157.8).

The Group's/consolidated entities has not recognised any contingent rent as expense in the Consolidated Statement of Profit and Loss.

ii. The parent company has entered into non-cancellable lease for office premises in previous year. These leases have remaining non-cancellable period of 29 months (March, 2014: 41 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, 2015	March 31, 2014
a. Within one year	**40.3**	38.4
b. After one year and not more than three years	**60.3**	82.6
c. After three years and not more than five years	**–**	18.0

b. Finance lease

i. 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.

ii. The lease agreement did not specify minimum lease payments over the future period. The factory building is acquired on lease at a consideration of ₹204.4 (March 31, 2014: ₹157.6).

iii. The net carrying amount of the buildings obtained on finance lease ₹175.4 (March 31, 2014: ₹133.2).

38. Disclosure regarding derivative financial instruments

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, 2015	As at March 31, 2014
Loans availed	**(32,007.4)**	(28,580.6)
Trade receivables	**29,783.7**	23,835.7
Loans and advances (including other current assets)	**401.7**	881.0
Trade payables (including creditors for capital goods)	**(3,737.8)**	(4,618.7)
Interest accrued but not due	**(87.4)**	(110.8)
Investments	**7,224.5**	7,281.6
Bank balances	**313.0**	51.9

39. In accordance with paragraph 10 of Notified Accounting Standard 9 on Revenue Recognition, excise duty on sales amounting to ₹1,520.1 (March 31, 2014: ₹1,593.7) 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 ₹2.7 [March 31, 2014: ₹(1.1)] has been debited/(credited) to the Consolidated Statement of Profit and Loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

40. Additional statutory information in respect of the components of APL and its consolidated entities

	March 31, 2015				March 31, 2014			
	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	103.95	53,595.4	96.23	15,163.5	106.99	40,123.8	99.94	11,720.9
Subsidiaries – Indian								
APL Research Centre Limited	0.24	120.9	0.00	(0.1)	0.32	118.0	0.00	–
APL Healthcare Limited	1.07	553.8	(0.01)	(1.6)	0.37	140.4	0.00	–
Auronext Pharma Private Limited	1.26	649.4	(1.29)	(202.9)	1.19	445.1	(1.24)	(144.9)
Auro Peptides Limited	0.85	439.5	(0.39)	(61.5)	0.00	1.0	0.00	–
Aurobindo Antibiotics Limited	0.00	0.4	0.00	(0.1)	0.00	0.5	0.00	–
Curepro Parenterals Limited	0.62	317.7	0.01	1.9	0.60	225.9	0.00	0.4
Eugia Pharma Specialities Limited	0.92	473.6	(0.01)	(1.4)	0.80	300.0	0.00	–
Hyacinths Pharma Private Limited	0.16	84.4	0.00	(0.1)	0.21	80.6	0.00	(0.1)
Silicon Life Sciences Private Limited	0.74	383.4	(0.02)	(3.1)	0.61	230.2	(0.12)	(14.0)
AuroZymes Limited	0.00	0.4	0.00	(0.1)	0.00	0.5	0.00	–
Subsidiaries – Foreign								
APL Pharma Thai Limited	0.35	178.5	(0.07)	(11.4)	0.49	183.1	(0.24)	(28.5)
Aurobindo Pharma Industria Farmaceutica Ltda	0.92	471.9	2.89	455.0	0.43	160.4	1.00	117.2
Aurobindo Pharma Produtos Farmaceuticos Ltda	(0.06)	(31.8)	(0.34)	(53.2)	0.04	13.2	0.02	2.7
All Pharma (Shanghai) Trading Company Limited	0.27	141.6	0.06	9.5	0.34	126.1	0.09	11.1
Helix Healthcare B.V.	10.70	5,518.0	(0.25)	(38.8)	17.07	6,401.0	(1.07)	(125.2)
Aurobindo Switzerland AG	–	–	–	–	–	–	0.10	12.2
Agile Pharma B.V.	5.79	2,985.2	1.27	200.1	9.23	3,459.9	(0.25)	(29.3)
Auro Pharma Inc.	0.21	107.6	0.01	1.0	0.31	118.1	(0.04)	(5.0)
Aurobindo Pharma (Australia) Pty Limited	0.25	126.7	(0.69)	(108.2)	0.19	72.9	(0.95)	(111.3)
APL Holdings (Jersey) Limited	0.39	201.6	(0.34)	(54.2)	0.82	306.0	(0.01)	(1.3)
Aurobindo Pharma (Pty) Limited	0.77	396.5	0.86	134.8	0.81	301.9	(0.34)	(39.8)
Auro Healthcare (Nigeria) Limited	0.01	3.9	0.00	0.3	0.01	2.5	(0.03)	(3.7)
Aurobindo Pharma Japan K.K.	0.17	87.4	0.03	4.1	0.25	93.1	0.50	59.0
Agile Malta Holdings Limited	–	–	0.00	0.4	2.05	768.5	0.14	16.5
Laboratorios Aurobindo, S.L.	0.07	36.9	(1.41)	(221.5)	0.75	282.0	0.79	92.2
Aurobindo Pharma (Italia) S.r.l.	0.21	109.0	(3.41)	(536.7)	0.29	110.2	(2.34)	(274.0)
Aurobindo Pharma (Portugal) Unipessoal Lda	(0.32)	(167.4)	(1.10)	(173.3)	(0.08)	(29.1)	(1.34)	(157.4)
Aurobindo Pharma France SARL	–	–	–	–	0.25	93.3	(0.31)	(35.7)
Aurobindo Pharma GmbH	0.45	233.1	0.64	101.7	0.48	178.2	0.58	67.5
Aurobindo ILAC Sanayi ve Ticaret Limited Sirketi	0.20	102.5	(0.09)	(14.4)	0.20	75.1	(0.12)	(13.2)
Aurobindo Pharma B.V.	0.15	76.3	(0.20)	(31.3)	0.34	127.2	(0.40)	(47.3)

(Contd.)

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(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, 2015				March 31, 2014			
	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 (Singapore) Pte Limited	0.00	–	0.00	(0.6)	0.00	0.2	0.00	(0.4)
Aurobindo Pharma (Romania) s.r.l.	0.12	62.7	(0.13)	(19.9)	0.05	19.8	(0.51)	(60.4)
Aurobindo Pharma Limited s.r.l.	–	–	0.00	(0.6)	0.00	0.9	(0.01)	(0.8)
Aurobindo Pharma NZ Limited	–	–	–	–	–	–	–	–
Aurovida Farmaceutica S.A. de C.V.	0.58	301.3	(0.27)	(42.0)	0.61	227.8	(0.10)	(12.2)
Aurobindo Pharma Colombia S.A.S.	0.00	1.1	(0.08)	(13.0)	0.00	0.3	0.00	(0.3)
Aurovitas Unipessoal Lda	0.09	44.8	0.32	51.2	0.00	–	0.00	–
Agile Pharma (Malta) Limited	–	–	–	–	–	–	0.00	(0.1)
Aurovitas S.L.	–	–	0.00	(0.4)	–	–	–	–
Aurobindo Pharma (Poland) Sp.z.o.o.	–	–	–	–	–	–	0.00	0.3
Aurex B.V.	0.01	6.1	–	–	–	–	–	–
Aurobindo Pharma USA Inc.	14.26	7,349.9	5.10	803.1	15.26	5,723.4	6.42	753.2
Aurolife Pharma LLC	10.20	5,256.9	7.95	1,252.8	7.94	2,976.3	5.81	681.0
Auromedics Pharma LLC	0.28	143.7	0.18	27.8	0.25	91.9	0.66	77.7
Auro Health LLC	(0.76)	(392.4)	(0.85)	(133.0)	(0.42)	(157.1)	(1.35)	(158.7)
Natrol LLC	(0.07)	(34.8)	(0.41)	(64.5)	0.00	–	0.00	–
Pharmacin B.V.	0.13	68.3	0.31	49.8	0.52	196.1	0.48	56.2
Milpharm Limited	1.36	700.7	0.06	9.4	1.99	746.5	1.09	127.6
Aurobindo Pharma (Malta) Limited	1.20	619.4	(0.07)	(10.9)	1.26	472.2	(0.07)	(8.3)
APL Swift Services (Malta) Limited	0.40	206.2	0.08	11.9	0.64	241.0	0.76	89.1
APL IP Company Limited	0.01	7.2	(1.76)	(276.9)	0.81	304.7	(4.70)	(551.4)
Arrow Generiques SAS	2.92	1,506.6	(0.30)	(46.8)	–	–	–	–
Actavis France SAS	0.84	433.6	(0.37)	(59.1)	–	–	–	–
Actavis Management GmbH	0.01	4.2	0.00	0.2	–	–	–	–
Actavis Deutschland GmbH & Co., KG	2.09	1,078.1	2.61	410.6	–	–	–	–
Aurovitas Spain SA	1.20	618.6	0.03	4.3	–	–	–	–
Actavis B.V.	0.01	7.4	(0.97)	(153.1)	–	–	–	–
Joint venture (as per proportionate consolidation)								
Joint venture – Foreign								
Novagen Pharma (Pty) Limited	0.50	257.6	0.57	90.2	1.02	383.8	0.65	76.6
Minority interest in all subsidiaries	0.50	258.2	(0.29)	(45.1)	0.68	256.7	(0.32)	(37.8)
TOTAL	165.22	85,185.4	104.67	16,494.0	174.61	65,480.7	103.81	12,175.9
Consolidation adjustments	(65.22)	(33,626.3)	(4.67)	(736.3)	(74.61)	(27,979.2)	(3.81)	(447.4)
Net amount	100.00	51,559.1	100.00	15,757.7	100.00	37,501.5	100.00	11,728.5

Note :

1. 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.
2. Percentages below 0.01% have been disclosed as 0.00%.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

41. Details of advances due from private companies in which parent company's director is a director:

Auropro Soft Systems Private Limited, India ₹Nil (March 31, 2014: ₹0.1).

Pranit Projects Private Limited, India ₹Nil (March 31, 2014: ₹1.3).

Pranit Packaging Private Limited, India ₹0.7 (March 31, 2014: ₹1.2).

42. i. Details of trade receivables due from private companies in which the Company's director is a director:

Pravesha Industries Private Limited, India ₹Nil (March 31, 2014: ₹9.9).

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, 2014: ₹0.02).

43. The amount of research and development expenditure charged to Consolidated Statement of Profit and Loss is ₹3,465.5 (March 31, 2014: ₹2,753.2).

44. 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, 2014: ₹Nil).

ii. Capital commitments of the above joint venture entities ₹Nil (March 31, 2014: ₹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, 2015 are given below:

Particulars	March 31, 2015		
	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

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	March 31, 2014		
	Gross amount	Adjustments/ Eliminations	Net amount
Balance Sheet			
Current assets	373.8	65.4	308.4
Non–current assets	98.6	95.1	3.5
Total assets	472.4	160.5	311.9
Current liabilities	90.0	11.7	78.3
Non–current liabilities	–	–	–
Total liabilities	90.0	11.7	78.3
Statement of Profit and Loss			
Income			
Revenue from operations	649.5	–	649.5
Other income	1.6	–	1.6
	651.1	–	651.1
Expenditure			
Purchase of traded goods	275.5	246.8	28.7
Increase in traded goods	(65.6)	(15.1)	(50.5)
Employee benefit expenses	42.8	–	42.8
Other expenses	297.0	5.1	291.9
Depreciation	1.0	–	1.0
Finance costs	0.2	–	0.2
	550.9	236.8	314.1
Profit before tax	100.2	(236.8)	337.0
Income tax expense	29.5	–	29.5
Profit after tax	70.7	(236.8)	307.5

45. Segment information

a. Identification of reportable segments

Segments are identified in line with AS 17 'Segment Reporting', taking into consideration the internal organisation 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees million, except share data and where otherwise stated)

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, 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**

Particulars	For the year ended and as at March 31, 2014					
	India	**U.S.A.**	**Europe**	**Rest of the World**	**Eliminations**	**Consolidated**
Revenue						
External sales	47,442.2	23,692.0	5370.7	4,493.0	–	80,997.9
Inter - segment sales	23,713.5	0.9	0.7	2,809.6	(26,524.7)	–
Total revenue	71,155.7	23,692.9	5,371.4	7,302.6	(26,524.7)	80,997.9
Other information						
Segment assets	76,928.2	20,136.7	7,748.8	4,323.9	(21,750.9)	87,386.7
Other assets						7,511.5
Total assets						94,898.2
Segment liabilities	14,268.2	11,699.1	5,793.4	2,190.7	(16,750.8)	17,200.6
Other liabilities						40,196.1
Total liabilities						57,396.7
Capital expenditure	2,635.5	1,203.5	302.1	187.4	–	4,328.5
Depreciation/amortization	1,905.9	362.0	790.0	66.0	1.4	3,125.3
Non-cash expenses other than depreciation	–	1.1	95.4	7.0	–	103.5

46. 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

N. Govindarajan
Managing Director
DIN: 00050482

Dr. M. Sivakumaran
Director
DIN: 01284320

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Santhanam Subramanian
Chief Financial Officer

A. Mohan Rami Reddy
AVP (Legal) &
Company Secretary

Hyderabad, May 28, 2015

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AUROBINDO PHARMA LIMITED

CIN - L24239TG1986PLC015190
Registered Office: Plot No.2, Maitrivihar, Ameerpet, Hyderabad 500 038
Tel. : +91 40 2373 6370 | Fax : +91 40 2374 7340
E-mail: info@aurobindo.com | Website : www.aurobindo.com

28th Annual General Meeting - Thursday, 27th August, 2015

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 28th Annual General Meeting of the Company to be held on Thursday, August 27, 2015 at 3.00 p.m. at Taj Deccan, 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 Audited Standalone Balance Sheet as at March 31, 2015, Statement of Profit and Loss for the financial year ended on March 31, 2015, Cash Flow Statement for the financial year ended March 31, 2015 and reports of Directors and Auditors thereon.
2.	To receive, consider and adopt the Audited Consolidated Balance Sheet as at March 31, 2015, Statement of Profit and Loss for the financial year ended on March 31, 2015, Cash Flow Statement for the financial year ended March 31, 2015 and report of Auditors thereon.
3.	To confirm the first interim dividend of ₹1.50, second interim dividend of ₹2.00 and third interim dividend of ₹1.00, in aggregate ₹4.50 per equity share of ₹1 each, as dividend for the year 2014-15.
4.	To appoint a Director in place of Mr. P. Sarath Chandra Reddy who retires by rotation and being eligible, seeks re-appointment.
5.	To appoint a Director in place of Dr. M. Sivakumaran 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 appoint Dr. (Mrs.) Avnit Bimal Singh as an Independent Director of the Company.
8.	To re-appoint Mr. N. Govindarajan as Managing Director of the Company.
9.	To re-appoint Mr. K. Nithyananda Reddy as Whole-time Director designated as Vice Chairman of the Company.
10.	To re-appoint Dr. M. Sivakumaran as Whole-time Director of the Company.
11.	To re-appoint Mr. M. Madan Mohan Reddy as Whole-time Director of the Company.

Signed this ____________ day of ____________ 2015

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, Maitrivihar, 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, Maitrivihar, Ameerpet, Hyderabad 500 038

Tel. : +91 40 2373 6370 | Fax : +91 40 2374 7340

E-mail: info@aurobindo.com | Website : www.aurobindo.com

28th Annual General Meeting - Thursday, 27th August, 2015

Attendance Slip

Folio No./Client ID:

No. of Shares:

DP ID:

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Name and address of
First/sole shareholder: ______________________________

I, hereby record my presence at the 28th Annual General Meeting of the Company held on Thursday, August 27, 2015 at 3.00 p.m. at Taj Deccan, Road No.1, Banjara Hills, Hyderabad 500 034.

Name of the Member/Proxy
(Block Letters)

Signature of the Member/Proxy

Notes:

a. Only Member/Proxy can attend the Meeting. No minors would be allowed at the Meeting.

b. 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.

c. Member/Proxy should bring his/her copy of the Annual Report for reference at the Meeting.

Prime Minister of Malta, Mr. Joseph Muscat at our Malta office after inauguration of the expansion project in April 2015.

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.

Concept, Research, Design & Production **Capricorn Associates,** Hyderabad

www.aurobindo.com

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TELANGANA, INDIA

CORPORATE OFFICE
WATER MARK BUILDING
PLOT NO. 11, SURVEY NO. 9
KONDAPUR, HITECH CITY
HYDERABAD - 500 084
TELANGANA, INDIA