S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Oval Office, 18, iLabs Centre
Hitech City, Madhapur
Hyderabad-500 081, India
Tel : +91 40 6736 2000
Fax : +91 40 6736 2200

INDEPENDENT AUDITOR'S REPORT

To the Members of Granules Omnichem Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Granules Omnichem Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 thereunder. We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Ind AS 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 Ind AS financial statements.

Opinion

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

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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

   i. The Company does not have any pending litigations which would impact its financial position;

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

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

   iv. The Company has provided requisite disclosures in Note 38 to these Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Navneet Rai

per Navneet Rai Kabra
Partner
Membership Number: 102328
Place: Hyderabad
Date: May 5, 2017

Annexure 1 referred to in paragraph 1 of our report of even date
Re: Granules Omnichem Private Limited ('the Company')

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, , service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other 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 information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders..

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

Navneet Rai

per Navneet Rai Kabra
Partner
Membership No.: 102328

Place: Hyderabad
Date: May 5, 2017

Annexure-2 to the Independent Auditor's report of even date on the financial statements of Granules Omnichem Private Limited

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

We have audited the internal financial controls over financial reporting of Granules Omnichem Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Opinion

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

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Navneet Rai

per Navneet Rai Kabra
Partner
Membership Number: 102328
Place: Hyderabad
Date: May 5, 2017

Granules Omnichem Private Limited
CIN - U24233AP2011PTC076274
Balance sheet as at March 31, 2017
(All amounts are in Indian Rupees except for share data or otherwise stated)

	Notes	March 31, 2017	March 31, 2016	April 01, 2015
Assets				
Non-current assets				
Property, plant and equipment	3	1,734,196,873	1,937,092,054	1,561,708,003
Capital work-in-progress		17,827,656	7,824,927	572,857,153
Financial assets				
Other financial assets	4	15,811,200	10,396,700	5,960,000
Deferred tax asset (net)	14	46,012,235	-	-
Non current tax assets (net)	5	-	623,695	766,596
Other non-current assets	6	4,917,659	2,599,236	932,380
		1,818,765,623	**1,958,536,612**	**2,142,224,132**
Current assets				
Inventories	7	803,774,890	801,024,837	41,664,545
Financial assets	8			
Trade receivables	8A	589,513,512	67,411,360	-
Cash and cash equivalents	8B	29,685,643	41,526,894	57,938,220
Other bank balances	8B	-	11,687,924	10,773,637
Other financial assets	8C	11,090,584	2,654,488	6,037,254
Other assets	9	75,763,255	72,368,815	1,896,673
		1,509,827,884	**996,674,318**	**118,310,329**
Total		**3,328,593,507**	**2,955,210,930**	**2,260,534,461**
Equity and Liabilities				
Equity				
Equity share capital	10	857,619,340	857,619,340	754,619,340
Retained Earnings		112,124,959	(136,577,950)	(34,496,217)
Other equity	11	700,080	1,815,972	1,146,677
		970,444,379	**722,857,362**	**721,269,800**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	12	936,966,797	1,243,018,917	1,203,869,936
Net employee defined benefit liability	13	71,056	134,806	21,467
		937,037,853	**1,243,153,723**	**1,203,891,403**
Current liabilities				
Financial liabilities	15			
Borrowings	15A	570,239,601	-	-
Trade payables	15B			
• Total outstanding dues of micro enterprises and small enterprises		-	-	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises		540,752,837	27,634,907	22,880,444
Other current financial liabilities	15C	216,269,199	123,043,970	71,758,247
Liabilities for current tax (net)		52,682,163	-	-
Other current liabilities	16	37,231,100	837,209,551	239,562,632
Net employee defined benefit liability	17	3,936,375	1,311,417	1,171,935
		1,421,111,275	**989,199,845**	**335,373,258**
Total		**3,328,593,507**	**2,955,210,930**	**2,260,534,461**

Summary of significant accounting policies 2.2

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 number:101049W/E300004

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

per Navneet Rai Kabra
Partner
Membership No.102328
Place: Hyderabad
Date: May 05, 2017

Granules OmniChem Private Limited HYDERABAD

For and on behalf of the Board of Directors of Granules Omnichem Private Limited

Gwinnett Bompas
Director
DIN- 03587826

C. Krishna Prasad
Director
DIN- 00020180

Place: Hyderabad
Date: May 05, 2017

Granules Omnichem Private Limited
CIN - U24233AP2011PTC076274
Statement of profit and loss for the year ended March 31, 2017
(All amounts are in Indian Rupees except share data and unless otherwise stated)

	Notes	March 31, 2017	March 31, 2016
Income			
Revenue from operations (gross)	18	2,003,190,790	142,566,314
Other income	19	21,363,378	8,964,956
Total revenue		**2,024,554,169**	**151,531,270**
Expenses			
Cost of materials consumed	20	1,111,715,199	497,426,223
(Increase)/decrease in work in progress and finished goods	21	192,140,796	(545,477,050)
Employee benefit expenses	22	89,931,440	42,094,997
Other expenses	23	239,762,189	117,576,187
Depreciation / amortisation	24	119,175,844	75,890,063
Finance costs	25	23,125,791	66,102,583
Total expenses		**1,775,851,260**	**253,613,003**
Profit/(loss) before tax		**248,702,909**	**(102,081,733)**
Tax expense			
Current tax		46,012,235	-
Tax credit		(46,012,235)	-
Total tax expense	26	-	-
Profit/(loss) for the year		**248,702,909**	**(102,081,733)**
Other Comprehensive Income (OCI)			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(loss) on employee defined benefit plans		(1,115,892)	669,295
Total other comprehensive income for the year, net of tax		**(1,115,892)**	**669,295**
Total comprehensive income for the year, net of tax		**247,587,017**	**(101,412,438)**
Earnings per equity share:	27		
Basic earnings per share		2.90	(1.22)
Diluted earnings per share		2.90	(1.22)
Nominal value per equity share		10.00	10.00
Summary of significant accounting policies	2.2		

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 number 101049W/E300004

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

Navneet Rai

per Navneet Rai Kabra
Partner
Membership No. 102328
Place: Hyderabad
Date: May 05, 2017

Granules OmniChem Private Limited HYDERABAD

For and on behalf of the Board of Directors of Granules Omnichem Private Limited

Gwinnett Bompas
Director
DIN- 03587826
Place: Hyderabad
Date: May 05, 2017

C. Krishna Prasad
Director
DIN- 00020180

Granules Omnichem Private Limited
CIN - U24233AP2011PTC076274
Cash flow statement for the year ended March 31, 2017
(All amounts are in Indian Rupees except share data and unless otherwise stated)

		March 31, 2017	March 31, 2016
Cash flows from operating activities			
Net profit/(loss) before tax		**248,702,909**	**(102,081,733)**
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortisation		119,175,844	75,890,063
Unrealised foreign exchnage gain		(21,237,902)	6,612,322
Loss on sale of assets (net)		67,111	73,566
Interest expense		21,548,601	54,168,111
Claims receivable written off		2,336,717	-
Interest income		(2,949,910)	(7,331,012)
Operating profit before working capital changes		**367,643,370**	**27,331,317**
Movements in working capital:			
Decrease in trade receivables		(529,797,931)	(67,111,928)
Increase in inventories		(2,750,053)	(759,360,292)
Increase in loans and advances and other financial assets		(4,011,740)	(36,022,829)
Increase in other assets		(14,584,715)	(32,350,732)
Increase in trade payables		532,437,918	4,754,466
Increase in provision for net employee defined benefit liability		1,445,316	922,116
Increase/(decrease) in other current liabilities & other financial liabilities		(799,978,450)	828,838,189
Cash used in operations		**(449,596,285)**	**(32,999,693)**
Direct taxes refund received		7,293,623	142,901
Net cash generated used in operating activities	(A)	**(442,302,662)**	**(32,856,792)**
Cash flows from investing activities			
Purchase of fixed assets, including capital work-in-progress, capital advances and payables for capital goods		(33,896,598)	(24,003,993)
Proceeds from sale of fixed assets		33,800	12,600
Deposits made during the year		(1,559,200)	-
Interest received		3,165,968	6,912,084
Net cash used in investing activities	(B)	**(32,256,030)**	**(17,079,309)**
Cash flows from financing activities			
Proceeds from issuance of share capital		-	103,000,000
Repayment of long term borrowings		(106,919,758)	(1,940,840)
Proceeds from short term borrowings (net)		579,853,294	-
Interest paid		(21,904,019)	(66,620,098)
Net cash generated from financing activities	(C)	**451,029,517**	**34,439,062**
Net decrease in cash and cash equivalents	(A+B+C)	(23,529,175)	(15,497,039)
Cash and cash equivalents at the beginning of the year		53,214,818	68,711,857
Cash and cash equivalents at the end of the year		**29,685,643**	**53,214,818**
Components of cash and cash equivalents			
Cash on hand		45,232	21,165
With banks on current accounts		29,640,411	31,426,549
Deposits with original maturity of less than three months		-	10,079,180
		29,685,643	**41,526,894**
Other bank balance			
Deposits with remaining maturity of less than twelve months		-	11,687,924
		-	**11,687,924**
Cash and bank balances as per balance sheet		**29,685,643**	**53,214,818**

Summary of significant accounting policies 2.2

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 number: 101049W/E300004

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

Navneet Rai

per Navneet Rai Kabra
Partner
Membership No.102328
Place: Hyderabad
Date: May 05, 2017

Granules OmniChem Private Limited HYDERABAD

For and on behalf of the Board of Directors of
Granules Omnichem Private Limited

Gwinnett Bompas
Director
DIN- 03587826

C. Krishna Prasad
Director
DIN- 00020180

Place: Hyderabad
Date: May 05, 2017

Granules Omnichem Private Limited
CIN - U24233AP2011PTC076274
Statement of Changes in Equity for year ended March 31, 2017
(All amounts are in Indian Rupees except share data and unless otherwise stated)

a) Equity Share Capital

Equity shares of INR 10 each issued and subscribed	No.	Rs.
As at April 01, 2015	85,761,934	857,619,340
Issued during the year	-	-
At March 31, 2016	85,761,934	857,619,340
Issued during the year	-	-
At March 31, 2017	85,761,934	857,619,340

Paid up shares	No.	Rs.
As at April 01, 2015		
Fully paid up	65,161,934	651,619,340
Party paid up	20,600,000	103,000,000
	85,761,934	754,619,340
At March 31, 2016		
Fully paid up	85,761,934	857,619,340
	85,761,934	857,619,340
At March 31, 2017		
Fully paid up	85,761,934	857,619,340

b) Other Equity

	Attributable to the equity holders of the parent		
	Reserves and Surplus	Items of Other comprehensive income (OCI)	
	Retained Earnings	FVTOCI	Total Equity
As at April 01, 2015	(34,496,217)	1,146,677	(33,349,540)
Add: Re-measurement gains on employee defined benefit plans	-	669,295	669,295
Add: Loss for the year	(102,081,733)	-	(102,081,733)
At March 31, 2016	(136,577,950)	1,815,972	(134,761,978)
Changes during the year	-	-	-
Add: Profit for the year	248,702,909		248,702,909
Less: Re-measurement loss on employee defined benefit plans	-	(1,115,892)	(1,115,892)
At March 31, 2017	112,124,959	700,080	112,825,039

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Granules Omnichem Private Limited
CIN - U24233AP2011PTC076274
Notes to financial statements for the year ended March 31, 2017
(All amounts are in Indian Rupees except share data and unless otherwise stated)

1. Corporate information
Granules Omnichem Private Limited ('the Company') incorporated on September 2, 2011 as a 50:50 Joint venture between Granules India Limited, India and SA Ajinomoto Omnichem N.V, Belgium. The Company is engaged in the business of manufacture and sale of pharmaceutical intermediates and active pharmaceutical ingredients (APIs) and has a plant at Ramky Pharma City - SEZ situated in Visakhapatnam, Andhra Pradesh. The registered office of the company is located at 2nd Floor, 3rd Block, My Home Hub, Madhapur, Hyderabad, Telangana, India 500 081.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 05, 2017.

2. Significant accounting policies
2.1 Basis of preparation
The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP"). These financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 34 for information on how the Company adopted Ind AS.
The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
The financial statements are presented in INR and all values are rounded to the nearest rupees, except when otherwise indicated.

2.2 Summary of significant accounting policies
(a) Current versus non-current classification
The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.
An asset is treated as current when it is:
► Expected to be realised or intended to be sold or consumed in normal operating cycle
► Held primarily for the purpose of trading
► Expected to be realised within twelve months after the reporting period, or
► Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
► It is expected to be settled in normal operating cycle
► It is held primarily for the purpose of trading
► It is due to be settled within twelve months after the reporting period, or
► There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Foreign currencies
The financial statements are presented in Indian rupees, which is also the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances
Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

(c) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included under the head "other income" in the statement of profit and loss.

Export incentives

Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

(e) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

'Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(f) Property, plant and equipment

Under the previous GAAP (Indian GAAP), Freehold land and buildings (property) were carried in the balance sheet at cost of acquisition. The Company has elected to regard those values of property as deemed cost at the date of the acquisition since they were broadly comparable to fair value.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied . All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	99 years
Freehold buildings	5 - 60 years
Plant and machinery	10 - 20 years
Laboratory equipment	10 years
Electrical Installations	10 years
Office equipment	5 years
Computers and servers	3 - 6 years
Furniture and Fixtures	10 years
Vehicles	8 years

The Company, based on technical assessment and management estimate, depreciates certain items of plant and equipment and vehicles over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period/year end and adjusted prospectively, if appropriate.

(g) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

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

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

S.R.BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on weighted average basis.
Costs incurred in bringing each product to its present location and condition are accounted for as follows:
- Raw materials, Spares & Consumables and Packing material: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Stores and spares are valued at the lower of cost and net realisable value.
Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(j) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(k) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

S.R.BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

(l) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Company treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the period-end/ year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

(m) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
- ► Debt instruments at amortised cost
- ► Debt instruments at fair value through other comprehensive income (FVTOCI)
- ► Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- ► Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Derecognition

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

a) the rights to receive cash flows from the asset have expired, or

b) the Company has transferred its rights to receive cash flows from the asset, and

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

ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure on trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L).

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings. For more information refer Note 12.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

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

Derecognition

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

S.R.BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

(n) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

New standards and interpretations not yet adopted

Ind AS 115 Revenue from Contracts with Customers: Ind AS 115, Revenue from Contracts with Customers was initially notified under the Companies (Indian Accounting Standards) Rules, 2015. The standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions-and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

The standard has been currently deferred. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

S.R.BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Granules Omnichem Private Limited
CIN - U24233AP2011PTC076274
Notes to financial statements for the year ended March 31, 2017
(All amounts are in Indian Rupees except share data and unless otherwise stated)

3. Property, plant and equipment

	Leasehold land	Buildings	Plant and Machinery	Lab Equipment	Electrical installations	Furniture and fittings	Vehicles	Office equipment	Computers and Servers	Total
At Cost										
At April 1, 2015	165,240,570	535,600,321	596,011,643	31,980,633	170,954,273	30,212,830	6,167,409	11,236,265	34,908,788	1,582,312,732
Additions	-	-	317,433,247	-	1,311,600	1,502,495	-	236,350	19,723,279	340,206,971
Para 46 A loss (refer note 3 below)	-	42,369,104	98,340,000	-	-	-	-	-	-	140,709,104
Deletions	-	-	-	-	-	(113,270)	-	(44,150)	-	(157,420)
At March 31, 2016	**165,240,570**	**577,969,425**	**1,011,784,890**	**31,980,633**	**172,265,873**	**31,602,055**	**6,167,409**	**11,428,465**	**54,632,067**	**2,063,071,387**
Additions*	-	435,510	8,611,859	3,725,320	363,010	4,079,584	70,481	1,799,545	2,033,652	21,118,961
Para 46 A Gain (refer note 3 below)	-	(34,908,750)	(69,817,500)	-	-	-	-	-	-	(104,726,250)
Deletions	-	-	-	-	-	(126,673)	(54,140)	-	-	(180,813)
At March 31, 2017	**165,240,570**	**543,496,185**	**950,579,249**	**35,705,953**	**172,628,883**	**35,554,966**	**6,183,750**	**13,228,010**	**56,665,719**	**1,979,283,285**
Depreciation/amortisation										
At April 1, 2015	5,007,290	3,012,103	4,670,601	491,100	2,625,202	806,908	1,178,187	687,389	2,125,949	20,604,729
Charge for the year	1,669,097	20,503,911	49,047,095	3,038,160	16,314,261	2,823,717	770,926	2,150,992	9,127,699	105,445,858
Deletions	-	-	-	-	-	(58,335)	-	(12,919)	-	(71,254)
At March 31, 2016	**6,676,387**	**23,516,014**	**53,717,696**	**3,529,260**	**18,939,463**	**3,572,290**	**1,949,113**	**2,825,462**	**11,253,648**	**125,979,333**
Charge for the year	1,669,097	21,940,186	58,350,107	3,093,820	16,389,940	3,376,190	735,481	2,325,508	11,295,516	119,175,844
Deletions	-	-	-	-	-	(47,334)	(21,431)	-	-	(68,765)
At March 31, 2017	**8,345,483**	**45,456,200**	**112,067,803**	**6,623,080**	**35,329,403**	**6,901,146**	**2,663,163**	**5,150,970**	**22,549,164**	**245,086,412**
Net Block										
At April 1, 2015	**160,233,280**	**532,588,218**	**591,341,042**	**31,489,533**	**168,329,071**	**29,405,922**	**4,989,222**	**10,548,876**	**32,782,839**	**1,561,708,003**
At March 31, 2016	**158,564,183**	**554,453,411**	**958,067,194**	**28,451,373**	**153,326,410**	**28,029,765**	**4,218,296**	**8,603,003**	**43,378,419**	**1,937,092,054**
At March 31, 2017	**156,895,087**	**498,039,985**	**838,511,446**	**29,082,873**	**137,299,480**	**28,653,820**	**3,520,587**	**8,077,040**	**34,116,555**	**1,734,196,873**

*net off export incentives pertaining to trial run sales amounting to Rs. 6,729,169 (March 31, 2016: Nil).
Capital work-in-progress Rs. 17,827,656 (March 31, 2016 Rs. 7,824,927 April 01, 2015: Rs. 572,857,153)

Notes:

1. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for : Rs. 9,859,007 (March 31, 2016: Rs. 3,195,000, April 01, 2015: Rs. 4,188,887)

2. Assets held under finance lease

The carrying value of land held under finance leases at March 31, 2017 was Rs. 156,895,087 (March 31, 2016: Rs. 158,564,183 , April 01, 2015: Rs. 160,233,280). Leased assets and other property, plant and equipment are pledged as security for loans taken by the Company (refer note 12 and 15A).

3. Capitalization of exchange differences

Under Indian GAAP, paragraph 46A of AS 11 The Effects of changes in Foreign Exchange Rates provides companies an option whereby companies can choose to defer/ capitalize exchange differences arising on long-term foreign currency monetary items. The option once selected is irrevocable and needs to be applied to all long-term foreign currency monetary items. If under Indian GAAP, a company had opted to defer/ capitalize exchange differences arising on long-term foreign currency monetary items in accordance with paragraph 46A of AS 11, then Ind AS 101 gives an option whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences. Accordingly, the Company has capitalized during the year, an exchange gain of Rs. 104,726,250 (March 31, 2016: Exchange Loss of Rs. 140,709,104) arising on long-term foreign currency loan.

S.R.BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Granules Omnichem Private Limited
CIN - U24233AP2011PTC076274
Notes to financial statements for the year ended March 31, 2017
(All amounts are in Indian Rupees except share data and unless otherwise stated)

4. Other financial assets

	March 31, 2017	March 31, 2016	April 01, 2015
Security deposits	11,535,000	7,679,700	3,243,000
Non-current bank balances (note 8B)	4,276,200	2,717,000	2,717,000
Total	**15,811,200**	**10,396,700**	**5,960,000**

5. Non current tax assets (net)

	March 31, 2017	March 31, 2016	April 01, 2015
Advance income-tax (net of provision for taxation)	-	623,695	766,596
Total	-	623,695	766,596

6. Other non-current assets (Unsecured, considered good unless stated otherwise)

		March 31, 2017	March 31, 2016	April 01, 2015
Capital advances				
Considered good		4,379,598	2,419,019	694,241
Doubtful		1,285,400	1,285,400	1,285,400
		5,664,998	**3,704,419**	**1,979,641**
Provision for doubtful advances		1,285,400	1,285,400	1,285,400
	(A)	**4,379,598**	**2,419,019**	**694,241**
Balance with statutory/government authorities		-	46,884	-
Prepayments		538,061	133,333	238,139
	(B)	**538,061**	**180,217**	**238,139**
Total	(A+B)	**4,917,659**	**2,599,236**	932,380

7. Inventories (Valued at lower of cost and net realisable value)

	March 31, 2017	March 31, 2016	April 01, 2015
Raw materials	428,341,702	245,451,642	36,672,983
Packing materials	445,473	370,119	122,125
Work-in-progress	266,495,532	497,870,207	-
Finished goods	86,840,723	47,606,843	-
Stores, spares and consumables	21,651,462	9,726,026	4,869,437
Total	**803,774,890**	**801,024,837**	**41,664,545**

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

(All amounts are in Indian Rupees except share data and unless otherwise stated)

8. Financial Assets

8A. Trade Receivable (Unsecured, considered good unless stated otherwise)

	March 31, 2017	March 31, 2016	April 01, 2015
From related parties	587,344,431	65,731,669	-
Others	2,169,081	1,679,691	
Total	**589,513,512**	**67,411,360**	**-**

There are no trade receivables due from private companies/partnership firm in which Company's director is a director/partner.
Trade receivables are non-interest bearing and are generally on terms of less than 1 year.

8B. Cash and cash equivalents and other bank balance

	March 31, 2017	March 31, 2016	April 01, 2015
A) Cash and cash equivalents			
Cash on hand	45,232	21,165	18,847
Balance with banks:			
On current accounts	29,640,411	31,426,549	12,916,373
Deposits with original maturity of less than three months	-	10,079,180	45,003,000
Total	**29,685,643**	**41,526,894**	**57,938,220**
B) Other bank balance			
Deposits with remaining maturity of less than twelve months	-	11,687,924	10,773,637
Margin money deposits	4,276,200	2,717,000	2,717,000
	4,276,200	**14,404,924**	**13,490,637**
Less: Amount disclosed under other assets (note 4)	(4,276,200)	(2,717,000)	(2,717,000)
Total	**-**	**11,687,924**	**10,773,637**

8C. Other financial assets

	March 31, 2017	March 31, 2016	April 01, 2015
Deposits	298,940	142,500	232,000
Interest receivable	1,680,761	1,896,819	1,477,891
Other receivables from related parties (note 30)	9,110,883	615,169	4,327,363
Total	11,090,584	**2,654,488**	**6,037,254**

9. Other current assets

	March 31, 2017	March 31, 2016	April 01, 2015
Advances for supply of goods and services	6,993,110	31,323,460	422,345
Prepayments	5,041,671	2,306,764	1,474,328
Balance with statutory/government authorities	5,109	-	-
Export incentives receivable	42,321,490	-	-
Insurance claim receivable	21,401,874	38,738,591	-
Total	**75,763,255**	**72,368,815**	**1,896,673**

Break up of financial assets carried at amortised cost

	March 31, 2017	March 31, 2016	April 01, 2015
Trade receivables	589,513,512	67,411,360	-
Cash and cash equivalents	29,685,643	41,526,894	57,938,220
Other bank balance	-	11,687,924	10,773,637
Other assets	26,901,784	13,051,188	11,997,254
Total financial assets carried at amortised cost	**646,100,939**	**133,677,366**	**80,709,111**

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

10. Share capital

	March 31, 2017	March 31, 2016	April 1, 2015
Authorized Share capital			
95,000,000 (March 31, 2016: 95,000,000, April 1, 2015: 95,000,000) equity shares of Rs 10/- each	950,000,000	950,000,000	950,000,000
	950,000,000	**950,000,000**	**950,000,000**
Issued and subscribed shares			
85,761,934 shares (March 31, 2016: 85,761,934, April 1, 2015: 85,761,934) equity shares of Rs 10/- each	857,619,340	857,619,340	857,619,340
Paid up shares			
85,761,934 (March 31, 2016: 85,761,934, April 1, 2015: 65,161,934) equity shares of Rs.10 each fully paid up	857,619,340	857,619,340	651,619,340
NIL (March 31, 2016: Nil, April 1, 2015: 20,600,000) equity shares of Rs. 10 each paid up at Rs. 5 per share	-	-	103,000,000
Total Issued, Subscribed and paid-up Share Capital	**857,619,340**	**857,619,340**	**754,619,340**

10.1 Reconciliation of number of shares outstanding and amount at the beginning and at the end of the year

	March 31, 2017		March 31, 2016		April 1, 2015	
	No.	Rs	No.	Rs	No.	Rs
Number of shares at the beginning of the year	85,761,934	857,619,340	85,761,934	754,619,340	41,400,000	414,000,000
Call money received during the year	-	-	-	103,000,000	44,361,934	340,619,340
Outstanding, at the end of the year	**85,761,934**	**857,619,340**	**85,761,934**	**857,619,340**	**85,761,934**	**754,619,340**

10.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting. The Company has not declared any dividend in the current and previous year. 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

10.3 Details of shareholders holding more than 5% equity shares in the Company

	March 31, 2017		March 31, 2016		April 01, 2015	
	Number	% holding	Number	% holding	Number	% holding
SA Ajinomoto OmniChem NV	42,880,967	50%	42,880,967	50%	42,880,967	50%
Granules India Limited	42,880,967	50%	42,880,967	50%	42,880,967	50%

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.

11. Other Equity

	March 31, 2017	March 31, 2016	April 1, 2015
Other reserve			
FVTOCI reserve	700,080	1,815,972	1,146,677
Total	700,080	1,815,972	1,146,677

BOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

(All amounts are in Indian Rupees except share data and unless otherwise stated)

12. Financial liabilities
12. Long-term borrowings

	Effective interest rate	Maturity	Non-current portion			Current maturities		
			March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
From Banks								
Term loans in Foreign currency- Unsecured	Euribor + 0.89%p.a.	2017-2022	923,862,791	1,229,755,877	-	205,201,835	110,416,835	-
Term loans in Foreign currency - Secured	Euribor+ 4% to 4.70%	2017-2022	-	-	1,189,987,047	-	-	-
			923,862,791	**1,229,755,877**	**1,189,987,047**	**205,201,835**	**110,416,835**	**-**
Other loans								
Finance lease obligations- Unsecured (note 34)	10% p.a.		13,104,006	12,917,265	12,747,496	1,289,147	1,227,759	1,227,759
Vehicle loan from financial institutions- Secured	10.27% p.a.		-	345,775	1,135,393	347,426	787,702	711,165
			13,104,006	**13,263,040**	**13,882,889**	**1,636,573**	**2,015,461**	**1,938,924**
			936,966,797	**1,243,018,917**	**1,203,869,936**	**206,838,408**	**112,432,296**	**1,938,924**
The above amount includes:								
Secured borrowings			-	345,775	1,191,122,440	347,426	787,702	711,165
Unsecured borrowings			936,966,797	1,242,673,142	12,747,496	206,490,982	111,644,594	1,227,759
			936,966,797	**1,243,018,917**	**1,203,869,936**	**206,838,408**	**112,432,296**	**1,938,924**

i) Unsecured foreign currency loans as at March 31, 2017 represented loans obtained The Bank of Tokyo-Mitsubishi UFJ LTD and Mizhou Bank Limited. The loans are repayable in twelve equal half yearly instalments commencing from January 15, 2017. The loans are secured by way of first demand payment guarantees (jointly and severally) from the sponsors i.e. Granules India Limited and SA Ajinomoto OmniChem NV.

ii) Vehicle loan from financial institution, secured by charge over vehicle, is repayable in 36 monthly installments.

S.R.BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

Granules Omnichem Private Limited
CIN - U24233AP2011PTC076274
Notes to financial statements for the year ended March 31, 2017
(All amounts are in Indian Rupees except share data and unless otherwise stated)

13. Net employee defined benefit liability

	March 31, 2017	March 31, 2016	April 01, 2015
Gratuity (refer note 29)	71,056	134,806	21,467
Total	**71,056**	**134,806**	**21,467**

14. Deferred tax (net)

	March 31, 2017	March 31, 2016	April 01, 2015
Deferred tax liability			
Income tax at the applicable rate on the difference between the aggregate book written down value and tax written down value of property, plant and equipment	200,992,703	216,167,564	108,652,744
	(200,992,703)	(216,167,564)	(108,652,744)
Deferred tax asset			
Unabsorbed depreciation loss, business loss, unused tax credits and employee benefits	247,004,938	216,167,564	108,652,744
	247,004,938	216,167,564	108,652,744
Deferred tax (net)	**46,012,235**	-	-

Reconciliation of deferred tax Assets (net):

	March 31, 2017	March 31, 2016	April 01, 2015
Opening balance	-	-	-
Tax income/(expense) during the period recognised in profit or loss	46,012,235	-	-
Tax income/(expense) during the period recognised in OCI	-	-	-
Closing balance	**46,012,235**	-	-

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

15. Financial Liabilities

15A. Short-term borrowings (secured)

	Effective interest rate	Maturity	March 31, 2017	March 31, 2016	April 01, 2015
Cash credit facilities	11% p.a	On demand	66,829,566	-	-
Packing credit loans in Foreign currency	Euribor + 1.90% p.a.	90 days	71,011,716	-	-
Post shipment credit in Foreign currency	Euribor + 1.60% p.a.	30 days	432,398,318		
Total			**570,239,601**	-	-

Short-term borrowings are secured by exclusive charge on all current assets and present & future fixed assets of the company excluding vehicle purchased under hire purchase loans.

15B. Trade payables

	March 31, 2017	March 31, 2016	April 01, 2015
- Outstanding dues to micro enterprises and small enterprises (refer note 31)	-	-	-
- Outstanding dues to creditors other than micro enterprises and small enterprises	535,286,179	27,634,907	22,880,444
- Outstanding dues to related parties (refer note 30)	5,466,658	-	-
Total	**540,752,837**	**27,634,907**	**22,880,444**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 0-180 day terms.

For explanations on the Company's credit risk management processes, refer to Note 37.

S.R.BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

15C. Other financial liabilities

	March 31, 2017	March 31, 2016	April01, 2015
Current maturities of long-term borrowings (refer note 12)	206,838,408	112,432,296	1,938,924
Payable for capital goods	7,999,347	8,824,812	58,432,749
Interest accrued but not due on borrowings	1,431,444	1,786,862	11,386,574
Total	**216,269,199**	**123,043,970**	**71,758,247**

Breakup of financial liabilities carried at amortised cost

	March 31, 2017	March 31, 2016	April01, 2015
Non current borrowings	936,966,797	1,243,018,917	1,203,869,936
Current maturities of non current borrowings	206,838,408	112,432,296	1,938,924
Current borrowings	570,239,601	-	-
Trade Payables	540,752,837	27,634,907	22,880,444
Payable for capital goods	7,999,347	8,824,812	58,432,749
Interest accrued but not due on borrowings	1,431,444	1,786,862	11,386,574
Total financial liabilities carried at amortised cost	**2,264,228,434**	**1,393,697,794**	**1,298,508,627**

16. Other current liabilities

	March 31, 2017	March 31, 2016	April01, 2015
Advance from customers	31,038,209	835,734,108	238,103,024
Statutory liabilities	6,192,891	1,475,443	1,459,608
Total	**37,231,100**	**837,209,551**	**239,562,632**

17. Net employee defined benefit liability

	March 31, 2017	March 31, 2016	April01, 2015
Gratuity (refer note 29)	1,283,203	8,727	-
Compensated absences	2,653,172	1,302,690	1,171,935
Total	**3,936,375**	**1,311,417**	**1,171,935**

S.R.BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Granules Omnichem Private Limited
CIN - U24233AP2011PTC076274
Notes to financial statements for the year ended March 31, 2017
(All amounts are in Indian Rupees except share data and unless otherwise stated)

18. Revenue from operations

	March 31, 2017	March 31, 2016
Sale of products	1,943,696,240	480,380,194
Other operating revenue		
Sale of by products	8,636,992	10,529,171
Export incentives	50,857,558	-
Total	**2,003,190,790**	**490,909,365**
Transferred to Statement of Profit and Loss	2,003,190,790	142,566,314
Transferred to Capital Work-in-Progress	-	348,343,051

19. Other income

	March 31, 2017	March 31, 2016
Interest income on		
Bank deposits	2,123,804	6,803,382
Other deposits and receivables	826,106	527,630
Foreign exchange gain (net)	17,654,371	-
Miscellaneous income	759,097	1,633,944
Total	**21,363,378**	**8,964,956**
Transferred to Statement of Profit and Loss	21,363,378	8,964,956
Transferred to Capital Work-in-Progress	-	-

20. Cost of materials consumed

	March 31, 2017	March 31, 2016
Inventory at the beginning of the year	245,451,642	36,672,983
Add: Purchases	1,294,605,259	706,204,882
	1,540,056,901	742,877,865
Less: Inventory at the end of the year	(428,341,702)	(245,451,642)
Cost of raw material consumed	**1,111,715,199**	**497,426,223**

21. Increase in work in progress and finished goods

	March 31, 2017	March 31, 2016
Inventories at the end of the year		
Finished goods	86,840,723	47,606,843
Work-in-progress	266,495,532	497,870,207
	353,336,254	**545,477,050**
Inventories at the beginning of the year		
Finished goods	47,606,843	-
Work-in-progress	497,870,207	-
	545,477,050	-
(Increase) /decrease in inventory	**192,140,796**	**(545,477,050)**

22. Employee benefit expenses

	March 31, 2017	March 31, 2016
Salaries, wages and bonus	80,962,936	56,586,992
Contribution to provident and other funds	3,609,744	2,266,169
Gratuity expense (refer note 29)	1,110,302	791,361
Staff welfare expenses	4,248,458	2,411,458
Total	**89,931,440**	**62,055,980**
Transferred to Statement of Profit and Loss	89,931,440	42,094,997
Transferred to Capital Work-in-Progress	-	19,960,983

S.R.BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
★ HYDERABAD ★

Granules Omnichem Private Limited
CIN - U24233AP2011PTC076274
Notes to financial statements for the year ended March 31, 2017
(All amounts are in Indian Rupees except share data and unless otherwise stated)

23. Other expenses

	March 31, 2017	March 31, 2016
Manpower charges	19,104,678	15,547,298
Consumption of stores, spares and consumables	67,881,254	28,813,399
Power and fuel	64,737,674	58,438,126
Effluent treatment expenses	5,409,834	2,105,660
Repairs and maintenance		
Plant and machinery	13,355,696	7,957,006
Buildings	8,682,559	2,590,946
Others	4,921,235	2,857,623
Rent	2,502,339	544,900
Rates and taxes	1,990,298	2,390,385
Printing and stationery	1,819,615	1,204,383
Communication costs	1,596,207	1,413,948
Insurance	7,584,696	3,193,355
Legal and professional charges	11,873,857	2,324,860
Remuneration to statutory auditors		
-For statutory audit (includes Rs.350,000 being fees for previous year)	2,100,000	1,000,000
-Reimbursement of expenses	17,322	22,550
Water charges	3,635,165	3,067,084
Travelling and conveyance	9,144,895	5,566,406
Security charges	3,047,388	2,819,689
Loss on sale of fixed assets (net)	67,111	73,566
Claims receivable written off	2,336,717	-
Foreign exchange loss (net)	-	16,993,763
Miscellaneous expenses	7,953,649	3,026,968
Total	**239,762,189**	**161,951,915**
Transferred to Statement of Profit and Loss	239,762,189	117,576,187
Transferred to Capital Work-in-Progress	-	44,375,728

24. Depreciation and amortisation

	March 31, 2017	March 31, 2016
Depreciation of tangible assets (refer note 3)	117,506,748	103,776,761
Amortisation of lease hold land (refer note 3)	1,669,097	1,669,097
Total	**119,175,844**	**105,445,858**
Transferred to Statement of Profit and Loss	119,175,844	75,890,063
Transferred to Capital Work-in-Progress	-	29,555,795

25. Finance costs

	March 31, 2017	March 31, 2016
Interest on debts and borrowings	17,424,915	52,770,586
Bank charges	1,577,190	16,184,272
Finance charges payable under finance leases and hire purchase contracts	1,414,502	1,397,525
Interest on others	2,709,184	-
Total	**23,125,791**	**70,352,383**
Transferred to Statement of Profit and Loss	23,125,791	66,102,583
Transferred to Capital Work-in-Progress	-	4,249,800

S.R.BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Granules Omnichem Private Limited
CIN - U24233AP2011PTC076274
Notes to financial statements for the year ended March 31, 2017
(All amounts are in Indian Rupees except share data and unless otherwise stated)

26.Taxes

(a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2017 and for the year ended March 31, 2016 are as follows:

Profit or loss section

Particulars	March 31, 2017	March 31, 2016
Current tax	46,012,235	-
Deferred tax charge/ (credit)	(46,012,235)	-
Total income tax expense recognised in statement of Profit & Loss	-	-

(b) Reconciliation of effective tax rate:

Particulars	March 31, 2017	March 31, 2016
Profit/(loss) before tax (A)	248,702,909	(102,081,733)
Enacted tax rates in India (B)	34.608%	34.608%
Computed expected tax expenses (C = A*B)	86,071,103	(35,328,446)
Tax effect due to tax incentives available in the form of tax holiday	(86,071,103)	-
Tax effect due to applicability of minimum alternate tax provisions	53,077,180	-
Tax effect due to non-taxable income for India tax purpose	(7,064,945)	-
Effect of unrecognised deferred tax assets	-	35,328,446
Tax effect due to credit taken on minimum alternate tax	(46,012,235)	-
Net current tax expense recognised in statement of Profit & Loss (F = E*B)	-	-

S.R.BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

(All amounts are in Indian Rupees except share data and unless otherwise stated)

27. Earning per equity share

Basic and diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2017	March 31, 2016
Profit/(loss) attributable to equity holders of the Company for basic and diluted earnings per share	248,702,909	(102,081,733)
Weighted average number of Equity shares considered for calculation of basic and dilutate EPS	85,761,934	83,617,276
Earnings per share		
- Basic and diluted	2.90	(1.22)

28. Commitments and Contingencies

A. Leases

i) Operating lease commitments - Company as lessee

The Company has taken premise on operating lease. Lease payments recognised in the statement of profit & Loss acount for the year ended March 31, 2017 is Rs. 2,502,339 (March 31, 2016: Rs. 544,900). Leases agreement impose no restriction.

ii) Finance lease commitments- Company as lessee

The Company has taken land on finance lease for 99 years. The Company's obligations under finance leases are unsecured in nature with lessor having an option to revoke the lease on non-fulfilment of finance lease obligations. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are, as follows:

	March 31, 2017			
	Within one year	After one year but not more than five years	More than five years	Total
Minimum lease payments (MLP)	1,289,147	5,156,586	243,338,236	249,783,968
Present value of MLP	1,289,147	4,086,421	9,017,585	14,393,153

	March 31, 2016			
	Within one year	After one year but not more than five years	More than five years	Total
Minimum lease payments	1,227,759	5,156,586	244,627,382	251,011,727
Present value of MLP	1,227,759	4,086,421	8,830,844	14,145,024

	April 01, 2015			
	Within one year	After one year but not more than five years	More than five years	Total
Minimum lease payments	1,227,759	5,095,198	245,916,529	252,239,486
Present value of MLP	1,227,759	4,030,614	8,716,882	13,975,255

B. Capital and other commitments

	March 31, 2017	March 31, 2016	April 01, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	9,859,007	3,195,000	4,188,887

S.R.BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Granules Omnichem Private Limited
CIN - U24233AP2011PTC076274
Notes to financial statements for the year ended March 31, 2017
(All amounts are in Indian Rupees except share data and unless otherwise stated)

29. Employee benefits

a) Defined contribution plan

	March 31, 2017	March 31, 2016
Contribution to provident fund recognised as expense in the Statement of Profit and Loss	3,609,744	2,266,169

b) Disclosures related to defined benefit plan

The Company has a defined gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on retirement or seperation at the rate of 15 days' last drawn basic salary for each completed years of services (final salary plan). The scheme is funded with an insurance company. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

A) Net employee benefit expense (included under employee benefit expenses)

	March 31, 2017	March 31, 2016	April 01, 2015
Current Service Cost	1,099,522	790,860	551,630
Net Interest Expenses	70,313	59,586	96,682
Expected return	(59,533)	(59,085)	(29,542)
Net employee benefit expenses	**1,110,302**	**791,361**	**618,770**

B) Amount recognised in the Balance Sheet

	March 31, 2017	March 31, 2016	April 01, 2015
Defined benefit obligation	3,124,893	936,255	760,028
Fair value of plan assets	1,770,634	792,722	738,561
Net Plan Liability	**1,354,259**	**143,533**	**21,467**

C) Changes in the present value of the defined benefit obligation for Gratuity are as follows

	March 31, 2017	March 31, 2016	April 01, 2015
Opening defined benefit obligation	936,255	760,028	1,179,053
Current service cost	1,099,522	790,860	551,630
Interest cost	70,313	59,586	96,682
Net Actuarial (gains)/losses on obligation for the year recognised under OCI	1,018,803	(674,219)	(1,067,337)
Closing defined benefit obligation	**3,124,893**	**936,255**	**760,028**

D) Changes in fair value of plan assets

	March 31, 2017	March 31, 2016	April 01, 2015
Opening fair value of plan assets	792,722	738,561	-
Expected return	(97,089)	(4,924)	(29,542)
Interest income	59,533	59,085	29,542
Contributions by employer	1,015,468	-	738,561
Closing fair value of plan assets	**1,770,634**	**792,722**	**738,561**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2017	March 31, 2016	April 01, 2015
Investments with Life Insurance Corporation	100%	100%	100%

E) Amount recognised in statement of other comprehensive income (OCI):

	March 31, 2017	March 31, 2016	April 01, 2015
Opening amount recognised in OCI	506,924	1,176,219	-
Remeasurement for the year - Obligation (gain)/loss	1,018,803	(674,219)	1,176,219
Remeasurement for the year - plan assets loss	97,089	4,924	
Total remeasurement credit for the year recognised in OCI	1,115,892	(669,295)	1,176,219
Closing amount recognised in OCI	**1,622,816**	**506,924**	**1,176,219**

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

(All amounts are in Indian Rupees except share data and unless otherwise stated)

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

	March 31, 2017	March 31, 2016	April 01, 2015
Discount rate	6.74%	7.51%	7.84%
Expected rate of return on assets	8%	8.00%	8.00%
Salary rise	12.50%	12.50%	12.50%
Attrition Rate	15.60%	25.40%	25.40%

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.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.

3.The Company expects to contribute Rs. 1,345,720 to the qualifying insurance policy in 2017-18.

Disclosure related to indication of effect of the defined benefit plan on the entity's future cashflows:

Expected benefit payments for the year ending:

Year ending	March 31, 2017	March 31, 2016
March 2017	-	9,492
March 2018	71,056	59,356
March 2019	253,791	225,251
March 2020	477,384	398,986
March 2021	1,160,206	741,449
March 2022	1,151,535	1,420,554

The average duration of the defined benefit plan obligation at the end of the reporting year is 4.90 years (March 31, 2016: 4.90 years and April 01, 2015: 4.90 years).

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption as at year end is as shown below:

Assumptions	March 31, 2017	March 31, 2016
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(238,899)	(51,577)
- 1% decrease	272,162	56,364
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	223,022	48,964
- 1% decrease	(207,023)	(46,037)

30. Related party disclosures

Names of related parties and description of relationship	Relationship
Granules India Limited	Joint Venturer
SA Ajinomoto Omnichem N.V.	Joint Venturer
Mr. K.V.V Raju, CEO#	Key Managerial Personnel
Mr. Gulshan Kumar Kapoor, CEO$	Key Managerial Personnel

Appointed with effect from August 01, 2015
$ Up to August 14, 2015

S.R.BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Granules Omnichem Private Limited
CIN - U24233AP2011PTC076274
Notes to financial statements for the year ended March 31, 2017
(All amounts are in Indian Rupees except share data and unless otherwise stated)

Related party transactions during the year

Particulars	March 31, 2017	March 31, 2016
I. Transaction during the year		
a) Call Money Received		
Granules India Limited	-	51,500,000
SA Ajinomoto Omnichem N.V.	-	51,500,000
b) Sale of raw material		
Granules India Limited	-	473,986
c) Advance from customer		
SA Ajinomoto Omnichem N.V.	219,400,984	830,499,751
d) Sale of goods		
SA Ajinomoto Omnichem N.V.	1,943,696,240	480,380,194
e) Service availed		
SA Ajinomoto Omnichem N.V.	7,273,114	-
f) Remuneration to Key Managerial Personnel *		
Gulshan Kumar Kapoor [includes defined contribution of Rs. Nil (March 31, 2016: Rs. 133,548)]	-	2,900,844
Mr. K.V.V Raju [includes defined contribution of Rs. 460,800 (March 31, 2016: Rs. 288,000)]	11,771,608	6,714,403
g) Payment made on behalf		
SA Ajinomoto Omnichem N.V.	9,110,883	-
II Receivable/(Payable) balance (net)		
Granules India Limited **	-	615,169
SA Ajinomoto Omnichem N.V. **	560,354,565	(762,786,444)
Gulshan Kumar Kapoor	-	-
Mr. K.V.V Raju	(3,600,000)	(1,666,667)

* AS the future liability for gratuity and leave encashement is provided on an actuarial basis for the company as a whole, the amount pertaining to the key managerial personnel is not ascertainable and therefore not included above.

** The company has availed term loan from foreign banks which are secured by first demand payment guarantees from the sponsors i.e. Granules India Limited and S.A. Ajinomoto Omnichem N.V. The effective closing balance of such loan as at March 31, 2017 is Rs. 1,129,064,626 (March 31, 2016 : Rs. 1,340,172,712).

31. Based on the information available with the company, there are no suppliers who are register as micro, small or medium enterprises under "The Micro, small and Medium Enterprises Development Act 2006" as at March 31, 2017 and March 31, 2016.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

(All amounts are in Indian Rupees except share data and unless otherwise stated)

32. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings including interest accrued on borrowings, trade and other payables, less cash and cash equivalents.

	March 31, 2017	March 31, 2016
Borrowings including interest accrued on borrowings	1,715,476,249	1,357,238,075
Trade payable (Note 15B)	540,752,837	27,634,907
Other liabilities	7,999,347	8,824,812
Less: cash and cash equivalents (Note 8B)	(29,685,643)	(41,526,894)
Net debt	**2,234,542,791**	**1,352,170,900**
Equity	857,619,340	857,619,340
Retained earnings	112,124,959	(136,577,950)
Other Equity	700,080	1,815,972
Total Equity	**970,444,379**	**722,857,362**
Gearing ratio (Net Debt/ Total Equity)	**2.30**	**1.87**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

33. First time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP").

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. Note 34 explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

Estimates

The estimates as at April 01, 2015 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015 (transition date), March 31, 2016 and March 31, 2017.

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
★ HYDERABAD ★

Granules Omnichem Private Limited
CIN - U24233AP2011PTC076274
Notes to financial statements for the year ended March 31, 2017
(All amounts are in Indian Rupees except share data and unless otherwise stated)

34. First time adoption to Ind-AS

A Reconciliation of equity as at April 01, 2015 (date of transition to Ind-AS)

	Notes	Previous GAAP	Adjustments	IndAS
ASSETS				
Non-current assets				
Property, plant and equipment	i	1,548,565,632	13,142,371	1,561,708,003
Capital work-in-progress		572,857,153	-	572,857,153
Financial assets				
Loans		3,243,000	-	3,243,000
Others		2,717,000		2,717,000
Other non-current assets	ii	17,942,798	(16,243,822)	1,698,976
		2,145,325,583	**(3,101,451)**	**2,142,224,132**
Current assets				
Inventories		41,664,545	-	41,664,545
Financial assets				
Cash and cash equivalents		68,711,857	-	68,711,857
Loans		232,000	-	232,000
Other current assets	ii	11,071,058	(3,369,131)	7,701,927
		121,679,460	(3,369,131)	118,310,329
TOTAL		**2,267,005,043**	**(6,470,582)**	**2,260,534,461**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		754,619,340		754,619,340
Retained earnings and other equity	(i)	(32,516,656)	(832,884)	(33,349,540)
		722,102,684	**(832,884)**	**721,269,800**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	i & ii	1,210,735,393	(6,865,457)	1,203,869,936
Net employee defined benefit liability		21,467	-	21,467
		1,210,756,860	**(6,865,457)**	**1,203,891,403**
Current liabilities				
Financial liabilities				
Trade payables				
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		22,880,444	-	22,880,444
Other financial liabilities	i	70,530,488	1,227,759	71,758,247
Other current liabilities		239,562,632	-	239,562,632
Net employee defined benefit liability		1,171,935	-	1,171,935
		334,145,499	**1,227,759**	**335,373,258**
TOTAL		**2,267,005,043**	**(6,470,582)**	**2,260,534,461**

S.R.BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

B Reconciliation of equity as at March 31, 2016

Particulars	Notes	Previous GAAP	Adjustements	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	i	1,924,086,583	13,005,471	1,937,092,054
Capital work-in-progress		7,824,927	-	7,824,927
Financial assets				
Loans		7,679,700	-	7,679,700
Others		2,717,000	-	2,717,000
Non Current tax assets (net)		623,695	-	623,695
Other non-current assets	ii	16,860,859	(14,261,623)	2,599,236
		1,959,792,764	**(1,256,152)**	**1,958,536,612**
Current assets				
Inventories		801,024,837	-	801,024,837
Financial assets				
Trade receivables		67,411,360	-	67,411,360
Cash and cash equivalents		53,214,818	-	53,214,818
Loans		142,500	-	142,500
Other financial assets		41,250,579	-	41,250,579
Other current assets	ii	36,305,889	(2,675,665)	33,630,224
		999,349,983	**(2,675,665)**	**996,674,318**
TOTAL		**2,959,142,747**	**(3,931,817)**	**2,955,210,930**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		857,619,340	-	857,619,340
Retained earnings and other equity	i & iv	(159,133,827)	24,371,849	(134,761,978)
		698,485,513	**24,371,849**	**722,857,362**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	i & ii	1,244,363,275	(1,344,358)	1,243,018,917
Net employee defined benefit liability		134,806	-	134,806
		1,244,498,081	**(1,344,358)**	**1,243,153,723**
Current liabilities				
Financial liabilities				
Trade payables				
Total outstanding dues of micro enterprises and small enterprises		-		-
Total outstanding dues of creditors other than micro enterprises and small enterprises		27,634,907	-	27,634,907
Other financial liabilities	i	124,491,876	(1,447,906)	123,043,970
Other current liabilities	iv	862,720,953	(25,511,402)	837,209,551
Net employee defined benefit liability		1,311,417	-	1,311,417
		1,016,159,153	**(26,959,308)**	**989,199,845**
TOTAL		**2,959,142,747**	**(3,931,817)**	**2,955,210,930**

S.R.BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

C Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Notes	Previous GAAP	Adjustements	Ind AS
Income				
Revenue from operations		142,566,314	-	142,566,314
Other income		8,964,956	-	8,964,956
Total revenue		**151,531,270**	-	**151,531,270**
Expenses				
Cost of materials consumed		497,426,223	-	497,426,223
Increase in work in progress and finished		(545,477,050)	-	(545,477,050)
Employee benefit expenses	iii	41,425,702	669,295	42,094,997
Other expenses	i & iv	144,315,345	(26,739,158)	117,576,187
Depreciation / amortisation	i	75,753,163	136,900	75,890,063
Finance costs	i	64,705,058	1,397,525	66,102,583
Total expenses		**278,148,441**	**(24,535,438)**	**253,613,003**
Profit before tax		**(126,617,172)**	**24,535,438**	**(102,081,733)**
Tax expense		-	-	-
Total tax expense		**(126,617,172)**	**24,535,438**	**(102,081,733)**
Profit for the year		-	-	-
OTHER COMPREHENSIVE INCOME (OCI)				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains on employee defined benefit plans	iii	-	669,295	669,295
Total other comprehensive income for the year, net of tax		-	669,295	669,295
Total comprehensive income for the year, net of tax		-	669,295	669,295

D. Notes to reconciliation of equity as at April 01, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2016.

i. Land Lease

Under Previous GAAP, the Company has capitalised the upfront free of Rs.151,687,500 paid towards land lease of 99 years and has been amortising the same over the said period on straight line basis. Annual/future lease payments were being charged off to the statement of profit and loss in the form of rent expense. However, under Ind AS-17, on the date of transition to IND-AS, the Company's right to use land for 99 years is treated as finance lease and the present value of future lease payments is capitalised along with the upfront fee leading to an increase in carrying value of leasehold land by Rs. 13,142,371(March 31, 2016: Rs. 13,005,471) as at the date of transition i.e. April 01, 2015 with corresponding increase in finance lease liability amounting to Rs. 13,975,255 (March 31, 2016: Rs. 14,145,021) and corresponding decrease in equity of Rs. 832,884 (March 31, 2016: Rs.1,139,550).

S.R.BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

Further, the lease payments amounting to Rs. 1,227,759 for the year ended March 31, 2016 are not treated as rent expense but as reduction of finance lease liability. The interest expense on finance lease is charged to statement of profit and loss as finance costs under Ind AS which is Rs. 1,397,525 for the year ended March 31 2016 . Further, the incremental amortisation as a result of the above mentioned additional capitalisation is charged to the statement of profit and loss as amortisation expense under Ind AS which is Rs. 136,900 for the year ended March 2016.

ii. Borrowings

Under Previous GAAP, amount paid for securing loan is presented under other current and non current assets. However, under Ind AS, such amounts are reduced from the carrying value of borrowings and are amortised under effective interest rate method.

iii. Remeasure of actuarial gains/ (losses):

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost is increased by Rs. 669,265 and remeasurement gain on defined benefit plans has been recognized in the OCI.

iv. Restatement of advance from customers received in foreign currency

Under Previous GAAP, the Company was restating advances received from customers in foreign currency as at reporting date.

Under Ind AS, the Company has reversed the restated loss to an extent of Rs.32,433,156 in line with Ind AS 21.

v. Other comprehensive income

Under Previous GAAP, the Company has not presented other comprehensive income separately. Hence, it has reconciled Previous GAAP profit or loss to profit or loss as per Ind AS. Further, Previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

vi. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

35. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(A) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Lease commitments - the Company as lessee

i) The Company has entered into leases for use of land. The Company has determined, based on an evaluation of the terms and conditions of the arrangements such as fair value of land at the inception of lease and that it does retain significant risks and rewards of ownership of the land and therefore, accounts for the land lease contract as finance leases.

ii) The Company has entered into leases of residential premises for executives and certain machinery. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of such premises and machinery and the fair value of the asset, that it does not retain significant risks and rewards of ownership of the such assets and accounts for the contracts as operating leases.

(B) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(ii) Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 29.

(iii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(iv) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

36. Fair Values

The management assessed that cash and cash equivalents, trade receivables, borrowings, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities or interest bearing nature of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

S.R. Batliboi & Associates LLP
Chartered Accountants
Hyderabad

Granules Omnichem Private Limited
CIN - U24233AP2011PTC076274
Notes to financial statements for the year ended March 31, 2017
(All amounts are in Indian Rupees except share data and unless otherwise stated)

37. Financial risk management objectives and policies

Financial Risk Management Framework

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. Trade receivables of the Company is subject to material concentration of credit risk as the Company's revenue is substantially derived from sales made to the joint holding company, S.A. Ajinomoto Omnichem N.V. The Company intends to cater to outside parties apart from joint holding company in the future.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 589,513,512, Rs. 67,411,360 and Rs. Nil as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively, being the total of the carrying amount of balances with trade receivables.

Trade receivables:

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on historical credit loss experience and adjusted for forward-looking information. Company's exposure to customers is concentrated as S.A. Ajinomoto Omnichem N.V. (Joint Holding Company) more than 95% of outstanding accounts receivable as of March 31, 2017, March 31, 2016 and April 01, 2015, however there was no default on account of the same in the past.

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk and interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company has debt obligations with floating interest rates and therefore has substantial exposure to the risk of changes in market interest rates.

As the company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/(decrease) in profit before tax	
	March 31, 2017	**March 31, 2016**
Change in Euribor		
- 0.5% increase	(8,233,681)	(6,785,550)
- 0.5% decrease	8,233,681	6,785,550

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

Granules Omnichem Private Limited
CIN - U24233AP2011PTC076274
Notes to financial statements for the year ended March 31, 2017
(All amounts are in Indian Rupees except share data and unless otherwise stated)

Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in Euro against the functional currencies of the Company. The Company, as per its risk management policy, is intending to use derivative instruments to hedge foreign exchange. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The Company has not entered into derivative instruments during the year.

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under -

		In foreign currency			In Rupees		
Particulars	**Currency**	**March 31, 2017**	**March 31, 2016**	**April 01, 2015**	**March 31, 2017**	**March 31, 2016**	**April 01, 2015**
Borrowings	Euro	16,500,000	18,000,000	18,000,000	1,143,326,250	1,357,110,000	1,209,600,000
Borrowings	Euro	7,265,000	-	-	503,410,034	-	-
Trade payables	USD	7,166,960	-	364,160	464,777,356	-	22,760,000
Trade payables	Euro	78,892	6,107	-	5,466,658	460,472	-
Capital creditors	Euro	-	-	58,500	-	-	3,931,200
Interest accrued but not due	Euro	20,658	23,700	169,351	1,431,444	1,786,862	11,386,574
Trade receivables	Euro	8,476,306	871,831	-	587,344,431	65,731,669	-
Other current financial assets	Euro	131,484	-	63,718	9,110,883	-	4,281,863
Other current assets	USD	60,730	-	-	3,938,341	-	-
Other current assets	CHF	6,287	-	-	407,555	-	-
Bank balances	Euro	-	-	3,918	-	-	263,262

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Increase/(decrease) in profit before tax	
	March 31, 2017	**March 31, 2016**
Change in Euro rate		
- 5% increase	4,307,359	3,174,217
- 5% decrease	(4,307,359)	(3,174,217)

38. Details of specified notes transaction held and transacted during the period between November 8, 2016 to December 30, 2016:

Particulars	**Specified bank notes**	**Other denomination notes**	**Total**
Closing cash in hand as on November 8, 2016	28,500	14,130	42,630
Add: Permitted receipts	-	335,239	335,239
Less: Permitted payments	-	(297,503)	(297,503)
Less: Amount deposited in Banks	(28,500)	-	(28,500)
Closing cash in hand as on December 30, 2016	-	**51,866**	**51,866**

39. Segment reporting

The Company is engaged in the business of manufacture and sale of pharmaceutical intermediates and active pharmaceutical ingredients (APIs) and the same constitutes a single reportable business segment as per Ind AS 108.

Particulars	March 31, 2017			March 31, 2016		
	Outside India	**Within India**	**Total**	**Outside India**	**Within India**	**Total**
Revenue	1,943,696,240	59,494,551	2,003,190,790	480,380,194	10,529,171	490,909,365
Non-current operating assets	-	1,756,942,189	1,756,942,189	-	1,947,516,217	1,947,516,217

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress and others.

FOR S.R. BATLIBOI & ASSOCIATES LLP
Chartered accountants
ICAI Firm registration number:101049W/E300004

per Navneet Rai Kabra
Partner
Membership No.102328

Place: Hyderabad
Date: May 05, 2017

For and on behalf of the Board of Directors of Granules Omnichem Private Limited

Gwinnett Bompas
Director
DIN- 03587826

C. Krishna Prasad
Director
DIN- 00020180

Place: Hyderabad
Date: May 05, 2017