



KPMG (Registered)
Building No. 10, 8th Floor, Tower-C
DLF Cyber City, Phase - II
Gurgaon - 122 002 (India)

Telephone: + 91 124 307 4000
Fax: + 91 124 254 9101
Internet: www.kpmg.com/in

Independent Auditors' Report
To the Shareholders of Jubilant Pharma Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Jubilant Pharma Limited ("the Company") and its subsidiaries and partnerships ("the Group"), which comprise the consolidated statement of financial position as at March 31, 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at March 31, 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

First time adoption of IFRS

See Note 37 to the consolidated financial statements.

The key audit matter

The Group adopted IFRS issued by International Accounting Standard Board, for the first time in preparing the consolidated financial statements for the year ended March 31, 2017 with date of transition as beginning of business on April 1, 2014. In preparing the comparative information presented in the consolidated financial statements, the Group has availed certain optional exemptions available under IFRS 1 "*First-time Adoption of International Financial Reporting Standards*" and adjusted the amounts reported previously in consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States ("previous GAAP"), for various differences in accounting principles between previous GAAP and IFRS, as fully explained in Note 37 to the consolidated financial statements. Further, the adoption of IFRS had a significant impact on various disclosures and the manner of presentation of the consolidated financial statements.



How the matter was addressed in our audit

Our audit procedures in this area included, among others:

- evaluating the process by which management prepared the consolidated financial statements including completeness for identification of differences in accounting principles between previous GAAP and IFRS, determination of respective amounts and accounting thereof;
- evaluating appropriateness of various accounting policies adopted by the Group including transition guidance in IFRS 1 and testing underlying working for key adjustments on account of applicable recognition and measurement differences; and
- evaluating the adequacy of applicable disclosures in the consolidated financial statements with reference to the requirements of IFRS.

Impairment of goodwill

See Note 2(g)(ii) and 2(i) to the consolidated financial statements.

The key audit matter

As at March 31, 2017, the Group's goodwill balance of USD 153 million represents 17% of the Group's total assets which has been allocated to different cash generating units (CGUs).

In addition to significance of the amount, management's assessment process is complex as it involves significant judgement in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the CGUs, which is based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future sales volumes, and prices, operating costs, terminal value growth rates and the weighted-average cost of capital (discount rate).

How the matter was addressed in our audit

Our audit procedures in this area included, among others:

- involving valuation specialists to assist in evaluating the assumptions and methodologies used by the Group, in particular the appropriateness of the discount rates applied, which included comparing the weighted average cost of capital;
- evaluating the appropriateness of the assumptions applied to key inputs such as revenue projections, operating costs, inflation and long-term growth rates, which included assessments based on our knowledge of the Group and the industry;
- performing sensitivity analysis, which included assessing the effect of reasonably possible variations in certain key inputs on the currently estimated headroom for various CGUs; and
- evaluating the adequacy of financial statements disclosures, including disclosures of key assumptions, judgements and sensitivities.



Measurement of finance cost for stock settled debt instrument

See Note 2(j) and 12(a) to the consolidated financial statements.

The key audit matter

As explained in note 12(a) to the consolidated financial statements, the Group has an outstanding term loan (Loan C) from International Finance Corporation (IFC) amounting to USD 58.2 million as at March 31, 2017, with a differential return to IFC under various scenarios as stipulated in the loan agreement. As there are various scenarios of conversion or repayment, the management has to assign assumptions and exercise significant judgement. Due to unique structure and terms of the loan with differential returns under different scenario, there is significant uncertainty involved in measurement of finance cost for this stock settled debt instrument. Accordingly, we have identified this as a key audit matter.

How the matter was addressed in our audit

Our audit procedures in this area included, among others:

- reviewing the contractual terms and testing the classification and accounting adopted with reference to the Group's policies and guidelines and IFRS;
- engaging subject matter experts and evaluating the appropriateness of the assumptions and judgements assigned to each scenario in context of available information; and
- assessing the appropriateness of disclosures in the consolidated financial statements, including fair value hierarchy information with reference to the requirements of the IFRS.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements,



whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Sharad Chaudhry.

KPMG

Gurugram, India
July 14, 2017

Jubilant Pharma Limited
Consolidated Statement of Financial Position
(All amounts in USD, unless otherwise stated)

	Notes	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
ASSETS					
Non-current assets					
Property, plant and equipment	4	262,000,452	260,240,457	258,617,091	262,522,265
Goodwill	5	170,923,788	156,450,110	155,979,959	153,002,409
Other intangible assets	5	113,186,655	110,902,125	109,303,922	125,605,865
Investments	6	2,871,770	9,308,642	7,020,614	-
Other financial assets	8	763,616	623,396	641,686	50,742,009
Income tax assets		-	2,854,053	637,222	94,888
Deferred tax assets (net)	16	32,709	22,831,774	19,151,071	24,397,589
Other non-current assets	11	1,146,623	2,766,253	354,803	2,754,127
Total non-current assets		550,925,613	565,976,810	551,706,368	619,119,152
Current assets					
Inventories	10	109,409,933	101,234,776	100,795,899	108,242,489
Trade receivables	7	86,105,098	83,951,053	96,374,050	95,450,918
Other financial assets	8	1,647,709	2,098,356	4,993,747	1,217,890
Income tax assets		2,394,219	270,888	16,485,633	1,390,674
Other current assets	11	8,305,959	9,919,940	14,476,621	14,089,619
Cash and cash equivalents	9	27,349,860	26,304,387	27,474,509	48,409,120
Total current assets		235,212,778	223,779,400	260,600,459	268,800,710
Total assets		786,138,391	789,756,210	812,306,827	887,919,862
EQUITY AND LIABILITIES					
Equity					
Equity share capital		326,758,994	326,758,994	326,758,994	326,758,994
Merger reserve		206,373,363	(68,787,724)	(68,787,724)	(68,787,724)
Retained earnings		(10,352,448)	7,009,258	56,079,440	111,186,516
Foreign currency translation reserve		-	(26,074,421)	(31,795,343)	(29,087,576)
Other components of equity		1,802,739	212,672	178,059	(11,839,299)
Equity attributable to owners of the Company		524,582,648	239,118,779	282,433,426	328,230,911
Non-controlling interests		24,010,078	-	-	-
Total equity		548,592,726	239,118,779	282,433,426	328,230,911
LIABILITIES					
Loans and borrowings	12	9,305	104,788,249	152,584,165	378,731,279
Employee benefits		1,885,641	2,748,293	2,686,057	3,208,722
Other financial liabilities	14	5,846,962	5,600,000	10,700,000	28,700,000
Deferred tax liabilities (net)	16	6,434,431	9,986,576	20,616,425	18,869,081
Other non-current liabilities	15	-	1,313,684	1,693,615	1,494,823
Total non-current liabilities		14,176,339	124,436,802	188,280,262	431,003,905
Current liabilities					
Loans and borrowings	12	150,459,384	285,871,005	244,617,443	37,653,814
Employee benefits		10,186,678	8,058,606	11,032,298	12,000,470
Trade payables	13	47,674,597	44,675,773	50,197,883	50,187,151
Other financial liabilities	14	2,447,597	79,385,541	8,956,134	11,532,822
Income tax liabilities		718,605	698,148	19,076,174	9,188,829
Other current liabilities	15	11,882,465	7,511,556	7,713,207	8,121,960
Total current liabilities		223,369,326	426,200,629	341,593,139	128,685,046
Total liabilities		237,545,665	550,637,431	529,873,401	559,688,951
Total equity and liabilities		786,138,391	789,756,210	812,306,827	887,919,862

See accompanying notes to the Consolidated financial statements

Jubilant Pharma Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
(All amounts in USD, unless otherwise stated)

	Notes	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Revenue from operations	17	414,489,479	438,108,871	460,572,133
Other income	18	6,257,991	1,016,190	606,017
Total income		420,747,470	439,125,061	461,178,150
Cost of materials consumed		101,028,491	98,781,487	104,617,080
Purchases of stock-in-trade		4,223,545	5,302,367	8,339,185
Changes in inventories of finished goods, stock-in-trade and work-in-progress		5,278,563	(6,656,837)	(10,420,330)
Employee benefits expense	19	127,213,504	122,993,867	131,587,144
Depreciation, amortisation and impairment	4,5,34	33,323,128	39,869,245	31,089,124
Other expenses	22	103,272,606	85,240,127	88,142,895
Result from operating activities		46,407,633	93,594,805	107,823,052
Finance income	20	157,440	72,621	2,125,274
Finance costs	21	27,241,701	23,164,394	36,740,418
Net finance costs		(27,084,261)	(23,091,773)	(34,615,144)
Profit before tax		19,323,372	70,503,032	73,207,908
Income tax (benefit)/expense	23	(936,165)	21,432,850	22,947,946
Profit for the year		20,259,537	49,070,182	50,259,962
Other comprehensive income/(loss)				
<i>Items that will be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operations		(26,074,421)	(5,720,922)	2,707,767
<i>Items that will not be reclassified to profit or loss</i>				
Changes in fair value of investments which are classified at fair value through other comprehensive income		4,847,114	-	-
Remeasurements of defined benefit obligations	24	(269,868)	(100,661)	(240,145)
Income tax relating to items that will not be reclassified to profit or loss		93,396	36,430	83,110
Other comprehensive income for the year, net of tax		(21,403,779)	(5,785,153)	2,550,732
Total comprehensive income for the year		(1,144,242)	43,285,029	52,810,694
Profit attributable to:				
Owners of the Company		17,361,706	49,070,182	50,259,962
Non-controlling interests		2,897,831	-	-
Other comprehensive income attributable to:				
Owners of the Company		(21,403,779)	(5,785,153)	2,550,732
Non-controlling interests		-	-	-
Total comprehensive income attributable to:				
Owners of the Company		(4,042,073)	43,285,029	52,810,694
Non-controlling interests		2,897,831	-	-

See accompanying notes to the Consolidated financial statements

Jubilant Pharma Limited
Consolidated Statement of Changes in Equity
(All amounts in USD, unless otherwise stated)

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Equity share capital **	Merger reserve #	Other capital reserve ##	Retained earnings	Foreign currency translation reserve \$	Fair value reserve @	Remeasurements of defined benefit obligations @@		
Balance at April 01, 2014	326,758,994	206,373,363	1,802,739	(10,352,448)	-	-	-	24,010,078	548,592,726
Profit for the year	-	-	-	17,361,706	-	-	-	2,897,831	20,259,537
Other comprehensive income for the year	-	-	-	-	(26,074,421)	4,847,114	(176,472)	-	(21,403,779)
Total comprehensive income for the year	-	-	-	-	(26,074,421)	4,847,114	(176,472)	2,897,831	(1,144,242)
Transactions with equity holders in their capacity as equity holders:									
Stock-based compensation expense for stock options granted by Jubilant, India	-	-	84,752	-	-	-	-	-	84,752
Options to erstwhile non-controlling shareholders ^	-	-	(47,600)	-	-	-	-	-	(47,600)
Settlement of transactions *	-	(275,161,087)	-	-	-	-	-	-	(275,161,087)
Purchase of non-controlling interest ^^	-	-	(6,297,861)	-	-	-	-	(26,907,909)	(33,205,770)
Balance at March 31, 2015	326,758,994	(68,787,724)	(4,457,970)	7,009,258	(26,074,421)	4,847,114	(176,472)	-	239,118,779
Profit for the year	-	-	-	49,070,182	-	-	-	-	49,070,182
Other comprehensive income for the year	-	-	-	-	(5,720,922)	-	(64,231)	-	(5,785,153)
Total comprehensive income for the year	-	-	-	49,070,182	(5,720,922)	-	(64,231)	-	43,285,029
Transactions with equity holders in their capacity as equity holders:									
Stock-based compensation expense for stock options granted by Jubilant, India	-	-	29,618	-	-	-	-	-	29,618
Balance at March 31, 2016	326,758,994	(68,787,724)	(4,428,352)	56,079,440	(31,795,343)	4,847,114	(240,703)	-	282,433,426
Profit for the year	-	-	-	50,259,962	-	-	-	-	50,259,962
Other comprehensive income for the year	-	-	-	-	2,707,767	-	(157,035)	-	2,550,732
Total comprehensive income for the year	-	-	-	50,259,962	2,707,767	-	(157,035)	-	52,810,694
Transactions with equity holders in their capacity as equity holders:									
Stock-based compensation expense for stock options granted by Jubilant, India	-	-	7,405	-	-	-	-	-	7,405
Distribution to shareholders	-	-	(7,020,614)	4,847,114	-	(4,847,114)	-	-	(7,020,614)
Balance at March 31, 2017	326,758,994	(68,787,724)	(11,441,561)	111,186,516	(29,087,576)	-	(397,738)	-	328,230,911

^ refer note 35

* refer note 3

^^ refer note 29 (b)

represent difference between the consideration and carrying amount of net assets/liabilities for transactions among entities under common control to transfer out/in of any business or shares of entities under common control

primarily represents effect of transactions with shareholders (other than those accounted for in merger reserve)

\$ exchange differences arising on translation of foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within the equity. The cumulative amount is reclassified to profit or loss when the Company dispose or partially dispose off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity

@ represents changes in fair value of investments designated as fair value

through other comprehensive income

@@ Remeasurement of defined obligations comprises actuarial gains and losses and return on plan assets

** No. of shares as at April 01, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 is 326,758,994. There is no change in the number of shares during the respective years.

See accompanying notes to the Consolidated financial statements

Jubilant Pharma Limited
Consolidated Statement of Cash Flows
(All amounts in USD, unless otherwise stated)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
A. Cash flow from operating activities			
Profit before tax	19,323,372	70,503,032	73,207,908
<i>Adjustments:</i>			
Depreciation, amortization and impairment	33,323,128	39,869,245	31,089,124
Unrealised foreign exchange (gain)/loss, net	(1,624,618)	1,050,691	597,822
Finance income	(157,440)	(72,621)	(2,125,274)
Finance costs	27,241,701	23,164,393	36,740,418
Share-based payment expense	84,752	29,618	7,405
Loss on sale/disposal/discard of property, plant and equipment (net)	381,304	1,417,774	99,608
Others, net	-	(1,809,517)	(21,874)
Operating cash flow before working capital changes	59,248,827	63,469,583	66,387,229
	78,572,199	134,152,615	139,595,137
Increase in trade accounts receivable	(17,745,432)	(16,130,764)	(1,818,249)
Decrease/(increase) in other assets including other financial assets	6,454,297	(5,754,557)	7,312,538
Decrease/ (increase) in inventories	4,643,575	(1,565,056)	(6,956,488)
Increase in trade payables	7,037,732	2,335,461	2,104,840
Increase/(decrease) in other liabilities including other financial liabilities	(11,128,626)	8,122,581	7,383,918
Cash generated from operations	67,833,745	121,160,280	147,621,696
Income taxes paid (net of refund)	(4,388,042)	(4,311,446)	(19,062,595)
Net cash generated from operating activities	63,445,703	116,848,834	128,559,101
B. Cash flows from investing activities ^^			
Acquisition/ purchase of property, plant and equipment and other intangible assets	(44,605,623)	(44,524,510)	(44,634,185)
Sale of property, plant and equipment	140,507	479,221	37,673
Sale of investments	-	-	2,765,009
Consideration for transfer of subsidiary to a common control entity *	-	-	200,000
Loan repaid by/(given to) related parties	-	30,000	(48,434,906)
Dividend received	-	-	21,874
Interest received	164,608	74,495	1,812,661
Others	16,875	217,306	(20,655)
Consideration for transfer of shares and business from Jubilant, India *	(219,064,292)	(63,683,382)	-
Net cash used in investing activities	(263,347,925)	(107,406,870)	(88,252,529)
C. Cash flow arising from financing activities			
Proceeds from long term loans and borrowings	252,818,889	112,534,211	205,645,648
Repayment of long term loans and borrowings ^	(6,105,737)	(104,557,711)	(157,638,951)
Proceeds/(repayments) from/of short term loans repayable on demand, net	13,233,071	17,755,624	(32,961,312)
Proceeds from loans from related parties	13,000,000	-	-
Repayments of loans to related parties	(23,700,000)	(13,300,000)	-
Finance costs paid	(15,741,500)	(20,988,645)	(33,016,044)
Purchase of non-controlling interest	(33,205,770)	(4,200)	-
Net cash provided by/(used in) financing activities	200,298,953	(8,560,721)	(17,970,659)
D. Effect of exchange rate changes	(1,442,204)	288,879	(1,401,302)
Net (decrease)/increase in cash and cash equivalents (A+B+C+D)	(1,045,473)	1,170,122	20,934,611
Cash and cash equivalents at the beginning of the period	27,349,860	26,304,387	27,474,509
Cash and cash equivalents at the end of the period	26,304,387	27,474,509	48,409,120

^ Revolver credit facility of Jubilant HollisterStier LLC is prepared on net basis

^^ refer note 6

* refer note 3

See accompanying notes to the Consolidated financial statements

Jubilant Pharma Limited
Notes to the Consolidated financial statements
(All amounts in USD, unless otherwise stated)

Note 1. Corporate Information

Jubilant Life Sciences Limited ("Jubilant India") is an Indian Company and the ultimate holding company of the Jubilant Group which comprises of Jubilant India and its subsidiaries. Jubilant Group is a global Pharmaceutical and Life Sciences player engaged in manufacture and supply of Active Pharmaceutical Ingredients ("APIs"), Generics, Specialty Pharmaceuticals and Life Science Ingredients.

During May 2005, Jubilant India incorporated Jubilant Pharma Limited ("JPL, Singapore" or "the Company") in Singapore as its wholly owned subsidiary which has since become an intermediate holding company for various entities of Jubilant Group across the globe.

Jubilant Pharma through its subsidiaries in USA, Canada, Europe and India is engaged in manufacturing and marketing of various pharmaceutical products and services like active pharmaceutical ingredients, dosage forms (tablets and capsules), contract manufacturing of sterile injectables, allergy therapy products and radiopharmaceutical products in various markets spread over United States, Canada, Europe, Asia and other geographies identified on the basis of revenue earned.

The direct / indirect subsidiaries and partnerships of JPL, Singapore are as follows:

S. No.	Name of the entity	Country of incorporation	Name of the parent company / investor	Date of incorporation/ acquisition by the group
Subsidiaries				
1	Jubilant HollisterStier LLC %	Unites States of America (USA)	HSL Holdings Inc.	May 31, 2007
2	Jubilant DraxImage Inc. %	Canada	Jubilant Pharma Limited	May 28, 2008
3	HSL Holdings Inc. @	USA	Jubilant Pharma Holdings Inc.	May 16, 2007
4	Jubilant Clinsys Inc. %	USA	Jubilant Pharma Holdings Inc.	October 4, 2005
5	Draximage Limited, Cyprus @	Cyprus	Jubilant Pharma Limited	September 12, 2008
6	Draximage Limited, Ireland %	Ireland	Draximage Limited, Cyprus	October 20, 2008
7	Draximage LLC %	USA	Draximage Limited, Cyprus	May 28, 2008
8	Jubilant DraxImage (USA) Inc. %	USA	Draximage Limited, Cyprus	November 4, 2008
9	Deprenyl Inc., USA @	USA	Draximage Limited, Cyprus	November 4, 2008
10	6963196 Canada Inc. @	Canada	Jubilant DraxImage Inc.	May 28, 2008
11	6981364 Canada Inc. @	Canada	Jubilant DraxImage Inc.	May 28, 2008
12	DAHI Animal Health (UK) Limited %	United Kingdom (UK)	Jubilant DraxImage Inc.	May 28, 2008
13	Draximage (UK) Limited %	UK	Jubilant DraxImage Inc.	May 28, 2008
14	Jubilant DraxImage Limited %	India	Draximage Limited, Cyprus	September 9, 2009
15	Jubilant HollisterStier Inc. @	USA	HSL Holdings Inc.	October 1, 2009

Jubilant Pharma Limited
Notes to the Consolidated financial statements
(All amounts in USD, unless otherwise stated)

S. No.	Name of the entity	Country of incorporation	Name of the parent company / investor	Date of incorporation/ acquisition by the group
	(formerly Draxis Pharma Inc.)			
16	Draxis Pharma LLC.@	USA	Jubilant HollisterStier Inc.	October 1, 2009
17	Jubilant Generics Inc. (formerly Generic Pharmaceuticals Holdings Inc.) @	USA	Jubilant Pharma Holdings Inc.(till December 22, 2014)	July 8, 2010
18	Jubilant Life Sciences (Switzerland) AG, Schaffhausen* \$	Switzerland	Jubilant Pharma Limited	January 26, 2011
19	Jubilant Pharma Holdings Inc. (formerly known as Jubilant Life Sciences Holdings Inc.)@	USA	Jubilant Pharma Limited holds 82% (also refer to note 1 (ii) below)	September 12, 2005
20	Jubilant Cadista Pharmaceuticals Inc. %	USA	Cadista Holdings Inc.	July 1, 2005
21	Cadista Holding Inc. @	USA	Jubilant Generics Inc. held 82.38% in Cadista Holdings Inc. till December 22, 2014 Effective December 23, 2014, Cadista Holdings Inc. became a 100% subsidiary of Jubilant Pharma Holdings Inc. (also refer to note 29)	July 1, 2005
22	Jubilant Generics Limited %	India	Jubilant Pharma Limited	November 25, 2013
23	Jubilant Pharma Trading Inc. %	USA	Jubilant Pharma Holdings Inc.	April 24, 2014
24	Jubilant Pharma NV @	Belgium	<ul style="list-style-type: none"> Jubilant Generics Limited holds 77.65% Jubilant Pharma Limited holds 22.35% (also refer to note 1 (i) below) 	June 20, 2014
25	Jubilant Pharmaceuticals NV %	Belgium	<ul style="list-style-type: none"> Jubilant Pharma N.V. , holds 99.81% Jubilant Pharma Limited, holds 0.19% 	June 20, 2014
26	PSI Supply NV %	Belgium	<ul style="list-style-type: none"> Jubilant Pharma N.V., holds 99.50% Jubilant Pharma Limited, 	June 20, 2014

Jubilant Pharma Limited
Notes to the Consolidated financial statements
(All amounts in USD, unless otherwise stated)

S. No.	Name of the entity	Country of incorporation	Name of the parent company / investor	Date of incorporation/ acquisition by the group
			holds 0.50%	
27	Jubilant Life Sciences (Shanghai) Limited # !	China	Jubilant Pharma Limited	March 25, 2004
28	Jubilant Pharma Australia Pty Limited \$	Australia	Jubilant Pharma Limited	August 11, 2016
29	Jubilant Draximage Radiopharmacies Inc. \$	USA	Jubilant Pharma Holdings Inc.	March 08, 2017
Partnerships				
30	Jubilant HollisterStier General Partnership (formerly Draxis Pharma General Partnership) %	Canada	<ul style="list-style-type: none"> Jubilant HollisterStier Inc. Draxis Pharma LLC 	May 28, 2008
31	Draximage General Partnership %	Canada	<ul style="list-style-type: none"> Jubilant DraxImage Inc. 6981364 Canada Inc. 	May 28, 2008

% represents entities engaged in pharmaceutical business

@ represents entities engaged in investment

@ represents non-operating entities

Effective May 19, 2014, Jubilant India had transferred its 77.65% stake in Jubilant Pharma NV, Belgium to Jubilant Generics Limited (“JGL”), India.

- (i) Effective May 19, 2014, Jubilant India had transferred its 18% shares of Jubilant Pharma Holdings Inc. to JGL, India.
- (ii) Effective July 01, 2014, Active Pharmaceuticals Ingredients (API) and Dosage Form (DF) business (together with its Research and development (R&D) facility and Intellectual Property Right (IPR) {DMFs, ANDAs and dossier, etc.}) of Jubilant India has been transferred to JGL, a wholly owned subsidiary of JPL, Singapore. These businesses were collectively referred as “Carved In Divisions”.
- (iii) Effective September 20, 2016, JPL, Singapore had transferred its wholly owned subsidiaries marked as “*” above to a company formed in Singapore (Jubilant Life Sciences International PTE Limited), a wholly owned subsidiary of Jubilant India
- (iv) Effective September 20, 2016, JPL, Singapore has transferred its wholly owned subsidiary marked as “#” above to Jubilant India.

The transactions stated in (i) to (v) above are considered as a common control transaction for accounting purposes

- (v) The Group holds 100% directly or indirectly in each subsidiaries except as mentioned below:

- a) Group holds 82% in Jubilant Pharma Holding Inc and 22.35% in Jubilant Pharma NV as at April 01, 2014 and the remaining stake has been subsequently acquired (refer Note (i) and (ii) above).
- b) Group holds 82.38% in Cadista Holdings Inc as at April 01, 2014, which have been subsequently acquired (refer Note 29).

Note 2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

- (a) Basis of accounting:** These consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) as issued by International Accounting Standard Board. They were authorised for issue by the Company's board of directors on July 14, 2017.

- (b) Basis of preparation**

- (i) The consolidated financial statements have been prepared in compliance with International Financial Reporting Standard (IFRS) as issued by International Accounting Standard Board, to reflect the consolidated financial position, consolidated financial performance and consolidated cash flows of Jubilant Pharma Limited and its subsidiaries (including partnerships) (collectively hereinafter referred to as "the Group").
- (ii) As these are the Group's first financial statements prepared in accordance with IFRS, the guidance in First-time Adoption of IFRS, has been applied. An explanation of how the transition to IFRS has affected the previously reported consolidated financial position, consolidated financial performance and consolidated cash flows of the Group is provided in Note 37.
- (iii) Historical cost convention

These consolidated financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

The historical financial statements of Carved-In Divisions till the date of the consummation of the transactions i.e. July 1, 2014 had been prepared in the manner mentioned below:

- i. Directly identifiable assets, liabilities, income and expenditure had been recorded in the respective Carved In Divisions.
- ii. Common expenses (including hedging reserve balance and stock based compensation) incurred by the corporate office on behalf of the Carved-In Divisions had been allocated on the basis of key business activities e.g. head count, area occupied, average capital employed etc. Average capital employed includes research and development costs and is calculated as per average of the net assets deployed as at the beginning and the end of the respective reporting periods.
- iii. Finance costs (including gain/ loss on related derivative instruments) with respect to Carved In Divisions had been allocated on the basis of average capital employed (computed in the manner stated above).

- iv. In accordance with the Indian tax laws, Jubilant India is liable to assess tax on the Company as a whole and therefore, separate tax basis for Carved-In Divisions is not available. Further, the tax basis of Carved In Divisions will not be carried forward and tax has been reset under Indian tax law after consummation of transaction.
- v. Allocated assets and liabilities had been included in respective line items of Consolidated Statement of Financial Position and net asset or liability of Carved-In Divisions has been included in merger reserve.

(c) Principles of consolidation

The consolidated financial statements comprises the financial statement of the Company, and the entities controlled by the Company including its subsidiaries and partnerships. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements;
- (iii) The Group's voting rights and potential voting rights; and
- (iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a entity begins when the Group obtains control over that entity and ceases when the Group loses control over the entity. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the entity.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a member of the group, the member prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation Procedure

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. IAS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The non-controlling interest disclosed in the consolidated financial statements represents the non-controlling shareholders' interest (outside the common control group) in the consolidated operations of Cadista Holdings Inc. and the profits or losses associated with such non-controlling interest.

(d) Current versus non-current classification

The Group presents assets and liabilities in the Consolidated Statement of Financial Position 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;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets 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 Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities; respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Each entity of the Group has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

(e) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

(f) Business combinations

In accordance with IFRS 1 provisions related to first time adoption, the Group has elected to apply IFRS accounting for business combinations prospectively from 1 April 2014. As such, previous GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward (refer note 37).

Business combinations (other than business combinations between common control entities) are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the consideration transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred does not include amounts related to the settlement of preexisting relationships, such amounts are generally recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. For each business combination, the group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share and the acquiree's identifiable net assets. Transaction costs incurred in connection with a business combination are expensed as incurred.

If the contingent consideration that meets the definition of financial instrument is classified as equity, it is not remeasured and settlement is accounted with in the equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognized in Consolidated Statement of Profit or Loss and Other Comprehensive Income

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in Consolidated Statement of Profit and loss and Other Comprehensive Income, provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statement of the acquired entity. The differences, if any, between the consideration and the amount of share capital of the acquired entity is transferred to equity.

(g) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each reporting date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

(ii) Intangible assets

• *Goodwill*

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

- Intangible assets that are acquired (including implementation of software system) and in process research and development are measured initially at cost.
- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
 - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as incurred.
 - Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as incurred.
- After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

(iii) Depreciation and amortization methods, estimated useful lives and residual value

Property, plant and equipment are stated at cost less accumulated depreciation and amortization. The Group depreciates property, plant and equipment over the estimated useful life using the straight-line method. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to Consolidated Statement of Profit and Loss and Other Comprehensive Income. Freehold land is not depreciated.

The estimated useful lives of assets are as follows:

Buildings factory and others	30-60 years
Plant and equipment	1-20 years
Office equipment	3-15 years
Furniture and fixtures	5-15 years
Vehicles owned	3-5 years
Vehicles under finance lease	Period of the lease

Intangible assets are amortized over their estimated useful lives using a method of amortization that reflects the pattern in which the economic benefits of the intangible assets are consumed or otherwise realized.

The estimated useful lives of intangibles are as follows:

Product registration / market authorisation	3-20 years
Acquired Patents	5 years
Software	5 years

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Derecognition

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(v) Transition to IFRS

On transition to IFRS, the Group has elected to measure all its property, plant and equipment and already recognized intangible assets under previous GAAP carrying amount as per previous GAAP as its deemed cost on the date of transition of IFRS i.e., April 1, 2014.

(h) Non-current assets held for sale

Non-current assets, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Once classified as held-for sale, property, plant and equipment and intangible assets are no longer amortised or depreciated.

(i) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Group's other non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Group reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Financial instrument

Effective April 1, 2016, the group has elected to early adopt IFRS 9 - Financial Instruments considering April 1, 2014 as the date of initial application of the standard even though the stipulated effective date for adoption is April 1, 2018

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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the 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 (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

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.

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 other income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The losses arising from impairment are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVPL.

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

Equity investments

All equity investments in scope of IFRS 9 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Consolidated Statement of Profit or Loss and Other Comprehensive Income, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Impairment of financial assets

The Group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting

date to the amount that is required to be recognised as an impairment gain or loss in the Consolidated Statement of Profit or Loss and Comprehensive Income.

Derecognition of financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's Statement of Financial Position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Consolidated Statement of Profit or Loss and Other Comprehensive Income. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Consolidated Statement of Profit or Loss and Other Comprehensive Income. Any gain or loss on derecognition is also recognised in Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Derecognition of financial liabilities

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 Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Derivative financial instruments

The Group uses various types of derivative financial instruments to hedge its currency and interest risks etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated Statement of Financial Position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(k) Inventories

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value.

The methods of determining cost of various categories of inventories are as follows:

Raw materials	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities
Fuel, consumables, packing material etc.	Weighted average method
Finished goods (traded)	Weighted average method
Goods in transit	Cost of purchase

Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of excise duty wherever applicable. Excise duty liability is included in the valuation of closing inventory of finished goods.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

(l) Cash and cash equivalents

Cash and cash equivalent 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.

(m) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present

obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(n) Revenue recognition

Revenue from sale of products is recognised when the property in the goods, or all significant risks and rewards of ownership of the products have been transferred to the buyer, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods as well as regarding its collection.

Revenues are shown net of tax collected from customers and remitted to government authorities such as sales tax, excise duty, value added tax etc. and applicable discounts and allowances including charge-backs, price equalization, expected sales return and bill backs etc.

The computation of these estimates involves significant judgment based on various factors including contractual terms, historical experience, estimated inventory levels and expected sell-through levels in supply chain.

Revenue includes only those sales for which the Group has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any sales for which the Group has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

The revenue related to contract manufacturing arrangements is recognised as follows:

- Any fees including upfront fees received in relation to contract manufacturing arrangements is recognized on straight line basis over the period of completion of related production services. Revenue resulting from the achievement of milestone events stipulated in agreements is recognized when the milestone is achieved. Milestones are based upon the occurrence of a substantive element specified in the contract or as a measure of substantive progress towards completion under the contract.
- Subsequently, revenue towards commercial production services is recognized when services are complete and the product has met rigorous quality assurance testing, delivery is made, title transfers to the customer, and collection is reasonably assured. In certain instances, the Group's customers request that the Group retain materials produced upon completion of the commercial batch production due to the fact that the customer does not have a qualified facility to store those materials or for other reasons. In these instances, the revenue recognition process is considered complete when project documents have been delivered to the customer and amounts due have been collected/ collectable.

The Group enters into revenue arrangements to sell multiple products and/or services (multiple deliverables). Revenue arrangements with multiple deliverables are evaluated to determine if the deliverables (items) can be divided into more than one unit of accounting. An item can generally be considered a separate unit of accounting if all of the following criteria's are met:

- The delivered item(s) has value to the customer on a standalone basis;
- There is objective and reliable evidence of the fair value of the undelivered item(s); and
- If the arrangement includes a general right of return relative to the delivered item(s), delivery or performance of the undelivered item(s) is considered probable and substantially in the control of the Group.

If an arrangement contains more than one element, the arrangement consideration is allocated among separately identified elements based on relative fair values of each element or fair value of undelivered components (residual value method).

The Group enters into collaborative agreements with other parties for product development. The agreement clearly provides for rights and responsibility of each party. All the milestones for product development are defined and responsibility of each party is clearly defined in terms of execution of their respective milestones and the amount to be spent. The Group recognises the amount spent by itself in its books of account whereas the amount spent by counter party is not recognised in the Group's books.

Clinical research services are offered through various fixed price, time and material or unit-based contracts. Revenue from fixed-price contracts for each separately identified element is recorded on a proportional performance basis. Revenue from time and material contracts are recognized as hours are incurred, multiplied by contractual billing rates.

Revenue from unit-based contracts is generally recognized as units are completed. Cost and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as deferred revenue.

Revenue includes amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement.

Non-refundable up-front license fees received in connection with product out-licensing agreements are deferred and recognized over the period in which the Group has continuing performance obligations.

Income in respect of entitlement towards export incentives is recognized in accordance with the relevant scheme on recognition of the related export sales. Such export incentives are recorded as part of other operating income.

Royalty revenue is recognized on an accrual basis in accordance with contractual agreements when all significant contractual obligations have been satisfied, the amounts are determinable and collection is reasonably assured.

(o) Employee benefits

(i) *Short-term employee benefits:* All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the *employee renders the related service and measured accordingly.*

(ii) *Post-employment benefits:* Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

a) Gratuity

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity (applicable for Indian entities of the Group), is recognised in the books of accounts based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the Group is funded with Life Insurance Corporation of India.

b) Provident fund

- (i) The Group makes contribution to the recognised provident fund - "VAM EMPLOYEES PROVIDENT FUND TRUST" (a multiemployer trust) for most of its employees in India, which is a defined benefit plan to the extent that the Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Group's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

- (ii) Group's contribution to the provident fund is charged to Consolidated Statement of Profit or Loss and Other Comprehensive Income.

- c) The Group make contribution to various social security plans and insurance schemes as per local requirements and generally accepted practices in their respective country of incorporation. Such contributions are charged to Consolidated Statement of Profit or Loss and Other Comprehensive Income on accrual basis in the year in which liability to pay arise.

(iii) Other long-term employee benefits:

Compensated absences

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Group's liability in respect of other long-term employee benefits is recognised in the books of account based on actuarial valuation using projected unit credit method as at Reporting date by an independent actuary. Actuarial losses/gains are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the year in which they arise.

(iv) Termination benefits:

Termination benefits are recognised as an expense when, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the consolidated books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of Changes in

Equity and in the Consolidated Statement of Financial Position. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(p) Share-based payments:

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Group by Jubilant India is recognized as an employee expense, with a corresponding increase in other capital reserve, over the period that the employees become unconditionally entitled to granted options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

(q) Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. Finance costs that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the period of the borrowings using the effective interest method. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

(r) Income tax

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

- **Current tax:**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or

received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

• **Deferred tax:**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investment in subsidiaries, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred income tax are not provided on the undistributed earnings of the subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

(s) Leases

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the chief operating decision maker. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

(u) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in U.S. Dollars ("USD").

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at Reporting date exchange rates are generally recognised in Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Share capital and opening reserves and surplus are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using closing rates at Reporting date.
- Profit and Loss items are translated at the respective quarterly average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction.
- Contingent liabilities are translated at the closing rates at Reporting date.

- All resulting exchange differences are recognised in Other Comprehensive Income.

When a foreign operation is sold, the associated cumulative exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

The items of Consolidated Cash Flow Statement are translated at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction. The impact of changes in exchange rate on cash and cash equivalent held in foreign currency is included in effect of exchange rate changes.

(iv) Transition to IFRS

On transition to IFRS, as per IFRS 1, the Group has deemed the cumulative translation differences for all foreign operations to be zero as at the date of transition to IFRSs i.e. April 1, 2014, by transferring cumulative differences to retained earnings

(v) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Consolidated Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the expected lives of the related assets and presented within other income.

(w) Critical estimates and judgements

The preparation of Consolidated Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Consolidated Financial Statements is included in the following notes.

- Recognition and estimation of tax expense including deferred tax– Note 2 (r)
- Impairment of financial and non-financial assets
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(g)(iii)
- Estimation of assets and obligations relating to employee benefit– Note 2(o)
- Valuation of Inventories- Note 10
- Recognition of revenue and related accruals– Note 2(n)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources.
- Fair value measurements

(x) Recent accounting pronouncements

Standards issued but not adopted

The amendment to IAS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Consolidated Statement of Financial Position for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, "Revenue from Contracts with Customers". The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The new revenue recognition standard was issued with an effective date of January 1, 2017. However, in April 2015, the IASB voted to defer the effective date of the new revenue recognition standard to January 1, 2018. Early application of the new standard is permitted. The Company is in the process of evaluating the impact of the new standard on its consolidated financial statements.

IFRS 16, Leases

In January 2016, the IASB issued a new standard, IFRS 16, "Leases". The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17, "Leases", and related interpretations and is effective for periods beginning on or after January 1, 2019. Earlier adoption of IFRS 16 is permitted if IFRS 15, "Revenue from Contracts with Customers", has also been applied.

The Company is currently in the process of evaluating the impact of this new accounting standard on its consolidated financial statements.

IFRIC 22, Foreign Currency Transactions and Advance Consideration

In December 2016, the IASB issued IFRIC Interpretation 22, "Foreign Currency Transactions and Advance Consideration," which addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. IFRIC Interpretation 22 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted. The Company is currently in the process of evaluating the impact of this change in the accounting standard on its consolidated financial statements.

IFRIC 23, Uncertainty over Income Tax treatments

On June 7, 2017, the IFRS Interpretations Committee issued IFRIC 23, which clarifies how the recognition and measurement requirements of IAS 12 "Income taxes", are applied where there is uncertainty over income tax treatments. IFRIC 23 explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the applicable tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under applicable tax law.

The interpretation provides specific guidance in several areas where previously IAS 12 was silent. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

Note 3: Accounting for common control transactions:

During the year ended March 31, 2015, the Group consummated the following common control transactions:

(i) Effective May 19, 2014, Jubilant India had transferred its 77.65% stake in Jubilant Pharma NV, Belgium and 18% shares of Jubilant Pharma Holdings Inc. to JGL for an aggregate consideration of 36,038,744 (net of borrowings of 31,680,027).

(ii) Effective July 01, 2014, Active Pharmaceuticals Ingredients (API) and Dosage Form (DF) business (together with its Research and Development facilities and IPR (DMFs, ANDAs and dossier, etc.)) of Jubilant India were transferred to JGL by way of a slump sale on going concern basis for a lump sum consideration of 155,193,721 (net of borrowings of 65,514,362). These businesses were collectively referred as “Carved In Divisions”.

These transactions being transactions between common control entities, the assets and liabilities acquired have been recorded at historical cost in the consolidated financial statements. The excess of consideration over historical cost (including tax effect of change in tax basis) as of the date of transaction amounting to 77,365,393 has been recorded as an adjustment to Merger Reserve.

During the year ended March 31, 2017, JPL, Singapore transferred its wholly owned subsidiary Jubilant Life Sciences (Switzerland) AG, Schaffhausen (JLS Switzerland) without consideration with effect from September 23, 2016 and sold its wholly owned subsidiary Jubilant Life Sciences (Shanghai) Limited for a consideration of 200,000 to a Jubilant Life Sciences International Pte. Limited, Singapore (JLSIPL), a wholly owned subsidiary of Jubilant India. JPL and JLSIPL came under common control in years earlier than year ended April 1, 2014 and therefore, these transfers being transaction between common control entities, JLS Switzerland and Jubilant Life Sciences (Shanghai) Limited have been deconsolidated retrospectively from the date the entities came under common control. The excess of consideration over carrying amount of this investments amounting to 106,927 is reflected as an adjustment to Merger Reserve prior to 1 April 2014. The impact of retrospective adjustments on previous GAAP figures is explained in Note 37.

For transfer of shares in the year ended 31 March 2017, also refer to Note 6 of the consolidated financial statements.

Note 4: Property, plant and equipment

	Land - freehold	Buildings- factory	Buildings - others	Furniture and fixtures	Plant and equipment	Office equipment	Vehicles - owned	Vehicles - leased	Total
Gross carrying amount									
Deemed cost as at April 01, 2014	7,549,571	78,947,044	1,825,582	3,285,524	156,164,032	1,703,920	36,286	67,299	249,579,258
Additions	18,702	1,125,846	-	997,673	11,545,879	3,368,761	18,632	20,224	17,095,717
Deductions	-	-	-	30,607	367,884	12,738	-	16,928	428,157
Foreign currency translation adjustment	(421,920)	(2,258,413)	(58,516)	(150,259)	(4,747,117)	(2,616,284)	(22,219)	(2,714)	(10,277,442)
Gross carrying amount as at March 31, 2015	7,146,353	77,814,477	1,767,066	4,102,331	162,594,910	2,443,659	32,699	67,881	255,969,376
Accumulated depreciation as at April 01, 2014	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	3,346,321	67,412	624,838	16,964,032	671,444	6,336	27,248	21,707,631
Deductions	-	-	-	1,376	13,641	428	-	146	15,591
Foreign currency translation adjustment		(82,363)	(680)	(10,283)	(364,846)	(20,096)	(109)	(486)	(478,863)
Accumulated depreciation as at March 31, 2015	-	3,263,958	66,732	613,179	16,585,545	650,920	6,227	26,616	21,213,177
Net carrying amount as at April 01, 2014	7,549,571	78,947,044	1,825,582	3,285,524	156,164,032	1,703,920	36,286	67,299	249,579,258
Add: Capital work-in- progress (CWIP)									12,421,194
Total									262,000,452
Net carrying amount as at March 31, 2015	7,146,353	74,550,519	1,700,334	3,489,152	146,009,365	1,792,739	26,472	41,265	234,756,199
Add: Capital work-in- progress									25,484,258
Total									260,240,457
Gross carrying amount as at April 01, 2015	7,146,353	77,814,477	1,767,066	4,102,331	162,594,910	2,443,659	32,699	67,881	255,969,376
Additions	-	11,767,921	-	448,786	18,936,856	1,626,170	1,299	116,213	32,897,245
Deductions	-	202,577	-	52,994	1,930,312	19,803	8,218	13,863	2,227,767
Foreign currency translation adjustment	(144,057)	(987,847)	(100,023)	(123,494)	(3,947,188)	(53,112)	(1,873)	(3,650)	(5,361,244)

Jubilant Pharma Limited
Notes to the Consolidated financial statements
(All amounts in USD, unless otherwise stated)

	Land - freehold	Buildings- factory	Buildings - others	Furniture and fixtures	Plant and equipment	Office equipment	Vehicles - owned	Vehicles - leased	Total
Gross carrying amount as at March 31, 2016	7,002,296	88,391,974	1,667,043	4,374,629	175,654,266	3,996,914	23,907	166,581	281,277,610
Accumulated depreciation as at April 01, 2015	-	3,263,958	66,732	613,179	16,585,545	650,920	6,227	26,616	21,213,177
Depreciation charge for the year	-	3,547,376	35,767	591,788	15,569,434	750,019	8,063	38,447	20,540,894
Deductions	-	2,895	-	7,833	205,981	6,135	8,218	10,744	241,806
Foreign currency translation adjustment		(31,121)	(4,314)	(29,104)	(304,566)	(34,003)	(502)	(1,615)	(405,225)
Accumulated depreciation as at March 31, 2016	-	6,777,318	98,185	1,168,030	31,644,432	1,360,801	5,570	52,704	41,107,040
Net carrying amount as at March 31, 2016	7,002,296	81,614,656	1,568,858	3,206,599	144,009,834	2,636,113	18,337	113,877	240,170,570
Add: Capital work-in- progress									18,446,521
Total									258,617,091
Gross carrying amount as at April 01, 2016	7,002,296	88,391,974	1,667,043	4,374,629	175,654,266	3,996,914	23,907	166,581	281,277,610
Additions	-	2,063,159	20,774	390,267	15,748,874	981,825	-	107,369	19,312,268
Deductions	-	-	-	19,100	5,706	84,296	-	34,477	143,579
Foreign currency translation adjustment	(29,387)	67,419	33,043	5,987	814,429	17,489	332	5,049	914,361
Gross carrying amount as at March 31, 2017	6,972,909	90,522,552	1,720,860	4,751,783	192,211,863	4,911,932	24,239	244,522	301,360,660
Accumulated depreciation as at April 01, 2016	-	6,777,318	98,185	1,168,030	31,644,432	1,360,801	5,570	52,704	41,107,040
Depreciation charge for the year	-	3,772,530	64,490	512,039	15,299,470	833,958	5,511	49,565	20,537,563
Deductions	-	-	-	9,742	29	13,877	-	19,773	43,421
Foreign currency translation adjustment	-	45,125	(152)	1,776	172,441	12,892	126	1,029	233,237
Accumulated depreciation as at March 31, 2017	-	10,594,973	162,523	1,672,103	47,116,314	2,193,774	11,207	83,525	61,834,419
Net carrying amount as at March 31, 2017	6,972,909	79,927,579	1,558,337	3,079,680	145,095,549	2,718,158	13,032	160,997	239,526,241

Jubilant Pharma Limited
Notes to the Consolidated financial statements
(All amounts in USD, unless otherwise stated)

	Land - freehold	Buildings- factory	Buildings - others	Furniture and fixtures	Plant and equipment	Office equipment	Vehicles - owned	Vehicles - leased	Total
Add: Capital work-in- progress									22,996,023
Total									262,522,264

Notes:

- (1) Refer note 32 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (2) Refer note 34 for finance costs capitalized.

Note 5: (A) Intangible assets

	Other intangible assets				
	Product registration/ market authorisation	Acquired patent	Softwares	Total other intangible assets	Goodwill
Gross carrying amount					
Gross carrying amount as at April 01, 2014 including deemed cost of assets already capitalised under previous GAAP	24,876,155	1,259,053	7,300,787	33,435,995	170,923,788
Additions	7,242,948	-	-	7,242,948	-
Currency translation adjustments	(2,013,659)	(3,788)	(329,931)	(2,347,378)	(14,473,678)
Gross carrying amount as at March 31, 2015	30,105,444	1,255,265	6,970,856	38,331,565	156,450,110
Accumulated amortisation as at April 01, 2014	-	-	-	-	-
Amortisation for the year	7,518,357	617,196	2,314,208	10,449,761	-
Currency translation adjustments	(475,246)	(2,291)	(232,516)	(710,053)	-
Accumulated amortisation as at March 31, 2015	7,043,111	614,905	2,081,692	9,739,708	-
Net carrying amount as at April 01, 2014	24,876,155	1,259,053	7,300,787	33,435,995	170,923,788
Add: Other intangible assets under development *				79,750,660	
Total				113,186,655	
Net carrying amount as at March 31, 2015	23,062,333	640,360	4,889,164	28,591,857	156,450,110
Add: Other intangible assets under development *				82,310,268	
Total				110,902,125	

Jubilant Pharma Limited
Notes to the Consolidated financial statements
(All amounts in USD, unless otherwise stated)

	Other intangible assets				
	Product registration/ market authorisation	Acquired patent	Softwares	Total other intangible assets	Goodwill
Gross carrying amount as at April 01, 2015	30,105,444	1,255,265	6,970,856	38,331,565	156,450,110
Additions	4,223,825	-	659,495	4,883,320	-
Currency translation adjustments	(1,177,889)	776	(114,348)	(1,291,461)	(470,150)
Gross carrying amount as at March 31, 2016	33,151,380	1,256,041	7,516,003	41,923,424	155,979,960
Accumulated amortisation as at April 01, 2015	7,043,111	614,905	2,081,692	9,739,708	-
Amortisation for the year excluding impairment	7,860,764	601,502	1,762,249	10,224,515	-
Impairment for the year	70,295	-	-	70,295	-
Currency translation adjustments	(276,420)	2,161	(88,285)	(362,544)	-
Accumulated amortisation as at March 31, 2016	14,697,750	1,218,568	3,755,656	19,671,974	-
Net carrying amount as at March 31, 2016	18,453,630	37,473	3,760,347	22,251,450	155,979,960
Add: Other intangible assets under development *				87,052,472	
Total				109,303,922	
Gross carrying amount as at April 01, 2016	33,151,380	1,256,041	7,516,003	41,923,424	155,979,960
Additions	26,001,229	-	3,398,106	29,399,335	-
Currency translation adjustments	201,673	3,596	290,424	495,693	(2,977,550)
Gross carrying amount as at March 31, 2017	59,354,282	1,259,637	11,204,533	71,818,452	153,002,410
Accumulated amortisation as at April 01, 2016	14,697,750	1,218,568	3,755,656	19,671,974	-

Jubilant Pharma Limited
Notes to the Consolidated financial statements
(All amounts in USD, unless otherwise stated)

	Other intangible assets				
	Product registration/ market authorisation	Acquired patent	Softwares	Total other intangible assets	Goodwill
Amortisation for the year	8,270,030	39,002	1,689,074	9,998,106	-
Currency translation adjustments	350,763	2,067	187,745	540,575	-
Accumulated amortisation as at March 31, 2017	23,318,543	1,259,637	5,632,475	30,210,655	-
Net carrying amount as at March 31, 2017	36,035,739	-	5,572,058	41,607,797	153,002,410
Add: Other intangible assets under development *				83,998,068	
Total				125,605,865	

* also refer note 35.

Notes:

- (1) Refer note 32 (a) for disclosure of contractual commitments for the acquisition of Intangible assets.
- (2) Refer note 34 for finance cost capitalized.

Note 5 (B) Impairment testing of goodwill and intangible assets with indefinite lives

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the lowest level at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments.

The company has identified Allergy, Contract Manufacturing Operation, Radio Pharmaceutical and Generics business as separate CGU and allocated goodwill.

The recoverable amount of the cash generating units was based on its value in use. The value in use of these units was determined to be higher than the carrying amount and an analysis of the sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carry amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of CGU. The calculation was based on the following key assumptions:

- (i) The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and the 5-year business plan in all periods presented.
- (ii) The terminal growth rate ranges from 2% to 5% (2% for the year ending March 31, 2016; March 31, 2015 and March 31, 2014) representing management view on the future long-term growth rate.
- (iii) A post-tax discount rate ranging from 9 to 12 percent for all periods presented was applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on past experience and Company's weighted average cost of capital.
- (iv) The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

Note 6: Non-current investments

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Investment in equity shares (at fair value through other comprehensive income)				
Unquoted equity shares (fully paid up) 510,771; 510,771; 510,771 and Nil as at April 1, 2014, March 31, 2015; March 31, 2016 and March 31, 2017 Safe Food Corporation USA - Common Stock*	2,173,500	7,020,614	7,020,614	-
Investment in debentures/bonds Convertible notes and warrants Muroplex Therapeutics Inc	-	-	-	-
	2,173,500	7,020,614	7,020,614	-
Investment in preference shares (at fair value through profit and loss) 220,135; 220,135; Nil and Nil as at April 1, 2014; March 31, 2015; March 31, 2016 and March 31, 2017 Convertible preferred stock of USD 0.001 each Putney Inc. (USA)	698,270	2,288,028	-	-
	698,270	2,288,028	-	-
Total non-current investment	2,871,770	9,308,642	7,020,614	-

* Transferred to fellow subsidiary without consideration. This being a transaction with entity under common control, the carrying amount of investment (net of fair value reserve on that day) is derecognized with the corresponding adjustment in Other capital reserve.

Note 7: Trade receivables

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Current				
Trade receivables	82,079,615	85,892,961	98,025,755	97,380,134
Receivables from related parties (refer note 30)	5,722,881	725,962	531,500	273,768
Less: Loss allowance	(1,697,398)	(2,667,870)	(2,183,205)	(2,202,984)
Total receivables	86,105,098	83,951,053	96,374,050	95,450,918

The Group exposure to credit and currency risk, and loss allowance related to trade receivables are disclosed in note 26 A (i).

Note 8: Other financial assets

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Non-current				
Loan to related parties (refer note 30)	-	-	-	50,115,652
Deposits with maturity after 12 months from the reporting date (a)	299,705	18,960	2,252	2,459
Others	463,911	604,436	639,434	623,898
Total non-current other financial assets	763,616	623,396	641,686	50,742,009
Current				
Advances recoverable from related parties (refer note 30)	1,079,015	1,033,820	1,768,800	610,385
Loan to related parties (refer note 30)	30,000	30,000	-	-
Receivable towards sale of investment	-	-	2,765,009	-
Deposits with maturity upto 12 months from the reporting date (b)	36,098	299,846	69,821	92,529
Others	502,596	734,690	390,117	514,976
Total current other financial assets	1,647,709	2,098,356	4,993,747	1,217,890
Total other financial assets	2,411,325	2,721,752	5,635,433	51,959,899

***Restricted cash includes as below:**

- (a) 299,705; 18,960; 2,252 and 2,459 as at April 01, 2014; March 31, 2015; March 31, 2016 and March 31, 2017, respectively, has restricted use.
- (b) 36,098; 299,846; 69,821 and 92,529 as at April 01, 2014; March 31, 2015; March 31, 2016 and March 31, 2017, respectively, has restricted use.

Note 9: Cash and cash equivalents

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Balances with banks				
- in current accounts	27,332,413	26,287,221	27,139,432	47,576,889
Cash on hand	17,447	17,166	10,475	13,387
Others				
- Funds in transit	-	-	324,602	818,844
Total cash and cash equivalents	27,349,860	26,304,387	27,474,509	48,409,120

Note 10: Inventories

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Raw materials	21,447,173	25,864,345	26,117,854	20,944,065
Work-in-progress	26,994,778	22,812,205	26,315,376	34,490,854
Finished goods	30,438,039	24,034,875	25,731,829	26,559,543
Stock-in-trade	2,083,710	2,183,990	1,739,788	1,961,991
Stores and spares	9,779,903	9,941,268	8,949,250	10,428,133
Packing material	18,281,603	15,998,985	11,537,292	13,846,904
Others- process chemicals and fuels	384,727	399,108	404,510	10,999
Total inventories	109,409,933	101,234,776	100,795,899	108,242,489

Amounts recognised in Statement of Profit or Loss and Other comprehensive income

The Write-downs of inventories during the year ended March 31, 2015; March 31, 2016 and March 31, 2017 were amounting to 1,001,448; 2,293,398 and 2,047,127, respectively.

Note 11: Other assets

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Non-current				
Capital advances	1,146,623	2,766,253	354,803	2,754,127
Total other non-current assets	1,146,623	2,766,253	354,803	2,754,127
Current				
Prepaid expenses	2,607,037	3,117,261	3,354,841	3,821,002
Advance for supply of goods and services	1,163,651	636,557	947,899	1,324,125
Recoverable from / balance with government authorities	4,009,542	5,627,285	9,604,678	8,468,295
Others	525,729	538,837	569,203	476,197
Total other current assets	8,305,959	9,919,940	14,476,621	14,089,619
Total other assets	9,452,582	12,686,193	14,831,424	16,843,746

Jubilant Pharma Limited
Notes to the Consolidated financial statements
(All amounts in USD, unless otherwise stated)

Note 12: Loans and borrowings

a) Non-current loans and borrowings

Nature of loan and borrowings	Maturity pattern	Interest rate/ Outstanding amount	As at March 31, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Term Loan A ##	Half yearly instalments ending in June 2021**	Interest rate	-	6 months Libor plus spread	6 months Libor plus spread	-
		Outstanding amount	-	85,959,524	86,306,166	-
Term Loan C ##	Refer note ^^	Interest rate	-	Refer note ^^	Refer note ^^	Refer note ^^
		Outstanding amount	-	58,918,566	59,100,252	57,489,548
Term Loan	Quarterly instalments ending in October 2021**	Interest rate	-	-	3 months Libor plus 3.25% p.a.	3 months Libor plus 3.25% p.a.
		Outstanding amount	-	-	46,961,496	8,613,741
Term Loan	Quarterly instalments ending in June 2019**	Interest rate	-	0.75% + bank base rate	0.75% plus bank base rate	-
		Outstanding amount	-	23,717,355	12,570,146	-
Term Loan	Quarterly instalments ending in June 2019**	Interest rate	-	1.25% plus bank base rate	1.25% plus bank base rate	-
		Outstanding amount	-	23,717,355	12,570,146	-
Term Loan	Half yearly instalments ending in July 2019**	Interest rate	-	0.50% + bank base rate	0.50% plus bank base rate	-
		Outstanding amount	-	20,547,103	10,886,892	-
Revolver credit loan *	Maturing on September 01, 2017	Interest rate	1.95% - 2.68%	Libor plus 1.50% - 4.50%	Libor plus 1.50% - 3.35%	Libor plus 1.50% - 3.35%
		Outstanding amount	77,164,638	75,616,776	38,315,560	20,265,434
Term Loan	Quarterly instalments ending in February 2021**	Interest rate	-	-	0.15% plus bank base rate	-
		Outstanding amount	-	-	14,428,815	-
Term Loan ^^^	Quarterly instalments ending in October 2021	Interest rate	-	-	3 months CDOR plus 3.25% p.a.	3 months CDOR plus 3.25% p.a.
		Outstanding amount	-	-	24,718,408	19,802,048
Facility B - term loan ^	Yearly instalments	Interest rate	3 months CDOR plus 5.50% p.a.	3 months CDOR plus 5.50% p.a.	-	-

Jubilant Pharma Limited
Notes to the Consolidated financial statements
(All amounts in USD, unless otherwise stated)

Nature of loan and borrowings	Maturity pattern	Interest rate/ Outstanding amount	As at March 31, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
	ending on October 27, 2018	Outstanding amount	28,781,825	24,712,157	-	-
Facility C - term loan	Quarterly instalments ending on May 27, 2014	Interest rate	3.42% - 3.47%	-	-	-
		Outstanding amount	4,202,653	-	-	-
Term Loan @	Quarterly instalments ending in September 2018	Interest rate	-	3 months Libor plus 375 basis points	-	-
		Outstanding amount	-	34,604,373	-	-
Term Loan @	Quarterly instalments ending in September 2021**	Interest rate	-	-	3 months Libor plus 3.25% p.a.	-
		Outstanding amount	-	-	34,290,907	-
Term Loan	Half yearly instalments ending in December 2020**	Interest rate	-	-	CPLR minus 610 basis points	-
		Outstanding amount	-	-	11,229,939	-
Finance lease obligation	Monthly instalments ending in February 2021	Interest rate	15%	15%	15%	15%
		Outstanding amount	11,220	47,692	115,738	167,701
Senior Bond 2021	Repayable in 2021	Interest rate	-	-	-	4.875%
		Outstanding amount	-	-	-	295,656,099
Finance lease obligation	Monthly instalments ending in October 2018	Interest rate	-	-	15%	15%
		Outstanding amount	-	-	5,332	3,635
Total			110,160,333	347,840,902	351,499,794	401,998,194
Less: Current maturities of loan and borrowings (included in current loans and borrowings)			(110,149,114)	(243,029,554)	(198,874,164)	(23,219,888)
Less: Current maturities of finance lease obligations (included in current loans and borrowings)			(1,915)	(23,099)	(41,466)	(47,027)
Non-current borrowings (as per Statement of Financial Position)			9,305	104,788,249	152,584,165	378,731,279

* The terms of the loan arrangement contain certain restrictive covenants, mainly the requirements to maintain certain financial ratios. The Group did not adhere to some of the financial covenants as at April 01, 2014 and March 31, 2015, which resulted into classification of entire debt balance as current. This was subsequently waived by the bank. The Group was in compliance of such covenants as at March 31, 2016 and March 31, 2017. Portion of the loan was hedged by an interest rate swap up to July 01, 2015.

^The terms of the loan arrangement contain certain restrictive covenants, mainly the requirements to maintain certain financial ratios. As at April 01, 2014, the Group did not adhere to some financial covenants which has resulted into classification of the entire debt balance as current, The Group was in compliance of such covenants as at March 31, 2015. Subsequently, the Group has repaid the loan during the year ended March 31, 2016.

##The terms of the loan arrangement contain certain restrictive covenants, mainly the requirements to maintain certain financial ratios. As at March 31, 2015 and March 31, 2016, the Group did not adhere to some financial covenants which resulted into classification of the entire debt balance as current. This was subsequently waived by the bank. The Group was in compliance of such covenants as at March 31, 2017.

^^ During the year ended March 31, 2015, the Group had obtained a term loan amounting to 60,000,000 from International Finance Corporation (IFC), due for repayment on June 15, 2020 (50%) and June 15, 2021 (50%) along with the repayment premium in accordance with the terms of the contract, if on or prior to such repayment date there has been (a) neither a Private Equity (PE) Investment nor a Qualifying IPO or (b) there has been a PE Investment but IFC has not converted the entire loan into shares pursuant to its put option. The term loan carries a differential return (in the form of discount in the event of conversion and premium in the event of redemption) to IFC under various scenarios based on the probabilities of occurrence of Private Equity (PE) Investment, Qualifying IPO and redemption. This instrument is considered as stock settled debt as the characteristic of this instrument do not expose the counterparty to risk and rewards similar to those of an owner and, therefore, do not create a shareholder relationship. Accordingly, this instrument has been classified as debt instrument only.

Since inception, the management has always considered redemption as not probable. Further, during the year ended March 31, 2015 and March 31, 2016, the management had assigned higher probabilities to PE Investments. However, during the year ended March 31, 2017, the management reassessed the probability and assigned higher probability towards qualifying IPO. The return to the investor in the form of discount in conversion price is higher in the event of conversion at the time of qualifying IPO and therefore reassessment of probability resulted in Group recognizing incremental cumulative expense in the year ended March 31, 2017. Based on these probabilities, the Group has recognized total expense of 5,600,000; 5,100,000 and 18,000,000 for the years ended March 31, 2015, March 31, 2016 and March 31, 2017, respectively in the consolidated financial statements.

^^^ During the year ended March 31, 2016, the Group has entered into a new term loan agreement. The proceeds from this term loan was used to prepay Facility B - term loan maturing on October 27, 2018.

@ During the year ended March 31, 2016, the Group has entered into a new term loan agreement. The proceeds from this term loan was used to prepay the old term loan maturing in September 2018.

** During the year ended March 31, 2017, the Group has made prepayments.

b) Current loans and borrowings

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Current maturities of non-current loans and borrowings	110,149,114	243,029,554	198,874,164	23,219,888
Current maturities of non-current finance lease obligations	1,915	23,099	41,466	47,027
Short term loans repayable on demand	16,308,355	29,518,353	45,701,814	12,586,899
Loans from related parties (refer note 30)	24,000,000	13,300,000	-	1,800,000
Total current borrowings	150,459,384	285,871,005	244,617,443	37,653,814

c) Assets pledged as security

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end.

	As of April 01, 2014	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017
Property, plant and equipment	248,457,227	233,789,268	262,248,077	124,541,641
Inventories	114,798,339	102,485,823	104,838,559	91,896,188
Financial assets	135,694,422	142,525,330	149,834,096	121,995,548
Other assets	18473,433	13502818	30,313,788	25,661,161
	517,423,422	492,303,239	547,234,520	364,094,538

Note 13: Trade payable

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Trade payables to related parties (refer note 30)	12,359,536	8,462,767	11,608,986	11,053,255
Other trade payables	35,315,061	36,213,006	38,588,897	39,133,896
Total trade payables	47,674,597	44,675,773	50,197,883	50,187,151

Note 14: Other financial liabilities

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Non-current				
Accrued cost for Stock settled debt instrument	-	5,600,000	10,700,000	28,700,000
Derivative financial liabilities	5,669,026	-	-	-
Others	177,936	-	-	-
Total non-current other financial liabilities	5,846,962	5,600,000	10,700,000	28,700,000
Current				
Interest accrued but not due on borrowings	490,941	8,443,207	7,376,515	7,169,928
Capital creditors	1,294,503	4,123,983	1,510,514	3,669,895
Payable to related parties (refer note 30)	-	66,454,879	-	-
Derivative financial liability	587,547	145,786	-	-
Others	74,606	217,686	69,105	692,999
Total current other financial liabilities	2,447,597	79,385,541	8,956,134	11,532,822
Total other financial liabilities	8,294,559	84,985,541	19,656,134	40,232,822

Note 15: Other liabilities

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Non-current				
Deferred revenue	-	1,313,684	1,693,615	1,494,823
Total non-current other liabilities	-	1,313,684	1,693,615	1,494,823
Current				
Trade deposits and advances	1,047,091	1,978,396	3,139,905	3,865,409
Deferred revenue	9,702,287	3,877,707	2,700,373	1,622,519
Statutory dues payables	1,133,087	1,655,453	1,872,929	2,634,032
Total current other liabilities	11,882,465	7,511,556	7,713,207	8,121,960
Total other liabilities	11,882,465	8,825,240	9,406,822	9,616,783

Note 16: Deferred tax liabilities

Deferred Income taxes reflect the net tax effects of temporary difference between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Group's net deferred income taxes are as follows:

Deferred Tax assets:

	Research & Development and other tax credits	Tax losses carried forward	Accrued expenses	MAT Credit entitlement	Others	Total
As at 1 April 2014	8,051,143	5,268,062	11,004,780	-	2,349,946	26,673,931
(Charged)/Credited:						
- to Profit and loss	(5,958,123)	11,042,851	1,687,532	-	(37,762)	6,734,497
- to other comprehensive income	-	-	93,396	-	-	93,396
- foreign currency translation reserve	(239,151)	-	-	-	(11,777)	(250,928)
As at 31 March 2015	1,853,869	16,310,913	12,785,708	-	2,300,407	33,250,896
(Charged)/Credited:						
- to Profit and loss	(2,064,623)	3,575,037	7,145,784	-	778,704	9,434,901
- to other comprehensive income	-	-	36,430	-	-	36,430
- Deferred tax (CTA adjustment)	-	-	-	-	-	-
- foreign currency translation reserve	-	(1,103,837)	(37,545)	-	(3,799)	(1,145,181)
Reclassification to Income tax assets	-	(13,025,401)	-	-	-	(13,025,401)
As at 31 March 2016	(210,755)	5,756,711	19,930,378	-	3,075,312	28,551,646
(Charged)/Credited:						
- to Profit and loss	-	7,717,204	(905,828)	8,323,950	(653,044)	14,482,282
- to other comprehensive income	-	-	83,110	-	-	83,110
- foreign currency translation reserve	-	533,906	22,814	-	(1,680)	555,040
As at 31 Mar 2017	(210,755)	14,007,821	19,130,474	8,323,950	2,420,588	43,672,078

Deferred Tax liabilities:

	Depreciation, amortisation and difference in value of CWIP / Intangibles	Others	Total
As at 1 April 2014	32,711,768	363,885	33,075,653
(Charged)/Credited:			
- to Profit and loss	746,027	1,235,669	1,981,696
- to other comprehensive income	-	-	-
- foreign currency translation reserve	(1,288,932)	(96,952)	(1,385,884)
- to Merger reserve	(13,265,767)	-	(13,265,767)
As at 31 March 2015	18,903,096	1,502,602	20,405,698
(Charged)/Credited:			
- to Profit and loss	9,383,017	412,040	9,795,057
- to other comprehensive income	-	-	-
- foreign currency translation reserve	(152,647)	(31,108)	(183,755)
As at 31 March 2016	28,133,466	1,883,534	30,017,000
(Charged)/Credited:			
- to Profit and loss	9,893,621	(1,353,886)	8,539,735
- to other comprehensive income	-	-	-
- foreign currency translation reserve	(418,260)	5,095	(413,165)
As at 31 March 2017	37,608,827	534,743	38,143,570

Net deferred tax assets/liabilities

Particulars	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Deferred tax assets	26,673,931	33,250,896	28,551,645	43,672,076
Deferred tax liabilities	(33,075,653)	(20,405,699)	(30,017,001)	(38,143,571)
Deferred tax liabilities (net)	(6,401,722)	12,845,197	(1,465,354)	5,528,508

Reflected in the Statement of financial position as follows:

Deferred tax assets and liabilities are offset to the extent there is legally enforceable rights to set off the recognized amounts, and it is intended to realize the assets and settle the liability on a net basis or simultaneously.

Particulars	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Deferred tax assets	32,709	22,831,774	19,151,071	24,397,589
Deferred tax liabilities	(6,434,431)	(9,986,576)	(20,616,425)	(18,869,081)
Deferred tax liabilities (net)	(6,401,722)	12,845,198	(1,465,354)	5,528,508

Reconciliation of Deferred tax liabilities/(deferred tax assets) (net)

Particulars	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Balance as at the Commencement of the year	6,401,722	(12,845,198)	1,465,354
Tax (benefit)/expense during the year recognised in statement of profit or loss	(4,752,801)	360,154	(5,942,547)
Tax benefit during the year recognised in other comprehensive income	(93,396)	(36,430)	(83,110)
Tax benefit during the year recognised in Merger reserve	(13,265,767)	-	-
Reclassification of Deferred tax asset to advance tax	-	13,025,402	-
Foreign currency translation adjustment	(1,134,956)	961,426	(968,205)
Balance as at the end of the year	(12,845,198)	1,465,354	(5,528,508)

a) Tax losses

Particulars	As at April 1, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax has been recognized	5,943,554	4,384,683	5,306,136	4,073,342
Unrecognized deferred tax asset relating to the above as per the respective country's applicable tax rate	1,883,610	1,334,757	1,631,374	1,342,967

- Deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

b) Unrecognized temporary differences

Particulars	As at March 31, 2015	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Undistributed earnings	75,763,588	67,646,431	125,545,136	207,521,725

- The Group 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.

Note 17: Revenue from operations

	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Sale of products (net of excise duty)	344,775,524	347,174,075	348,734,219
Sale of services	67,401,872	82,828,452	104,267,161
Other operating revenue	2,312,083	8,106,344	7,570,753
Total revenue from operations	414,489,479	438,108,871	460,572,133

Note 18: Other income

	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Gain from investment measured through Statement of Profit or Loss and Other Comprehensive Income	1,589,758	476,980	-
Foreign exchange gain, net	3,934,354	138,663	-
Others	733,879	400,547	606,017
Total other income	6,257,991	1,016,190	606,017

Note 19: Employee benefits expense

	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Salaries, wages, bonus, gratuity and allowances	104,239,769	102,538,222	109,542,171
Contribution to provident fund, superannuation and other funds	10,112,241	9,464,320	9,986,364
Share-based payment expense	84,752	29,618	7,405
Staff welfare expenses	12,776,742	10,961,707	12,051,204
Total employee benefit expense	127,213,504	122,993,867	131,587,144

Note 20: Finance income

	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Finance income from:			
- Loan to related parties	-	-	1,881,004
- Others	157,440	72,621	244,270
Total finance income	157,440	72,621	2,125,274

Note 21: Finance costs

	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Interest expense	25,936,038	20,266,460	32,505,083
Other finance costs	1,151,805	2,009,629	4,134,937
Exchange differences to the extent considered as an adjustment to finance costs	153,858	888,305	100,398
Total finance costs	27,241,701	23,164,394	36,740,418

Refer note 33 for finance cost capitalized.

Note 22: Other expenses

	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Consumption of stores and spares and packing materials	20,269,904	18,847,856	16,041,273
Processing charges	882,171	1,020,195	659,360
Excise duty related to increase/(decrease) in inventory of finished goods	307,856	(28,900)	5,830
Repairs and maintenance			
- Plant and machinery	5,885,810	6,402,407	5,505,932
- Buildings	3,521,415	3,623,937	3,001,470
- Others	3,115,687	2,976,903	2,953,000
Communication charges	1,342,660	1,274,358	1,169,452
Power and fuel	11,893,500	11,198,859	10,897,148
Rental expense	2,661,739	2,193,206	1,835,826
Rates and taxes	6,858,432	3,757,764	5,455,517
Legal and professional fees	19,598,677	14,625,108	14,216,189
Travel and conveyance	4,264,032	4,112,759	3,939,924
Advertisement, publicity and sales promotion	1,605,180	2,546,531	3,212,373
Insurance expense	2,036,910	1,774,982	1,625,018
Discounts, claims to customer and other selling expenses	5,203,040	473,954	7,192,452
Commission on sales	1,078,283	1,010,724	958,147
Loss on sale/disposal/discard of property, plant and equipment (net)	381,304	1,417,774	99,608
Foreign exchange loss, net	-	-	595,614
Provision for loss allowance (net)	1,653,571	278,325	205,433
Staff recruitment and training	1,656,056	1,756,680	1,831,106
Freight and forwarding	5,572,237	3,653,765	3,545,188
Bank charges	901,852	539,417	838,565
Miscellaneous expenses	2,582,290	1,783,523	2,358,470
Total other expenses	103,272,606	85,240,127	88,142,895

Note 23: Income tax expense

The major components of income tax expense for the years ended March 31, 2015, March 31, 2016 and March 31, 2017 are:

Consolidated statement of income:

Profit or loss section

	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
(a) Income Tax Expense			
<i>Current Tax</i>			
Current Tax on profits for the year	3,816,635	21,072,695	28,343,455
Adjustment for current income tax of previous years	-	-	547,038
Total Current tax expense	3,816,635	21,072,695	28,890,493
<i>MAT Credit</i>			
MAT Credit on profits for the year	-	-	-7,336,908
Adjustment in respect of MAT Credit of previous years	-	-	-710,322
Total MAT credit tax expense/(benefit)	-	-	-8,047,229
<i>Deferred Tax</i>			
Deferred tax on profits for the year	(4,752,801)	(1,338,341)	2,104,682
Adjustment in respect of deferred tax of previous years	-	1,698,495	-
Total Deferred tax expense / (benefit)	(4,752,801)	360,154	2,104,682
Income tax expense /(benefit)	(936,166)	21,432,850	22,947,946

Other Comprehensive Income section:

	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Tax related to items that will not be reclassified to profit or loss	93,396	36,430	83,110
Income tax benefit to OCI	93,396	36,430	83,110

Reconciliation between average effective tax rate and applicable tax rate for the year ended March 31, 2015; March 31, 2016 and March 31, 2017:

	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Profit from continuing operations before Income Tax Expense	19,323,374	70,503,032	73,207,908
Statutory Tax Rate	17%	17%	17%
Tax at the Singapore Tax rate of 17%	3,284,974	11,985,516	12,445,344
Tax Effect of amounts which are not deductible (taxable) in calculating Taxable Income			
Incremental allowance for research and development	(3,535,510)	(4,630,144)	(5,127,968)
Effect of prior year reassessments	-	1,698,495	547,038
Effect of state taxes	1,157,880	479,483	(48,598)
Tax rate difference	(2,130,102)	7,947,884	13,745,697
Unrecognised deferred tax	(249,941)	318,711	250,726
Effect of other permanent differences*	536,543	3,951,616	1,135,707
	(936,166)	21,432,850	22,947,936

*Primarily includes effect of tax on exempt income, non-deductible expenses and utilisation of deferred tax assets which was originally recognized through equity,

Note 24: Employee benefits in respect of the Group have been calculated as under:

(A) Defined Contribution Plans

The group entities located in India have certain defined contribution plan such as provident fund, employee state insurance, employee pension scheme, wherein specified percentage is contributed to them. During the year, the Group has contributed following amounts to:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Employer's contribution to provident fund*	2,363	5,710	18,936
Employer's contribution to employee's pension scheme 1995	222,011	317,176	350,318
Employer's contribution to employee state insurance	25,511	27,446	36,087

*For certain employees where Provident Fund is deposited with Government authority e.g. Regional Provident Fund Commissioner.

Foreign subsidiaries:-

- a. The Group's entities located in United States of America have a 401(k) plan, where in the regular, full-time and part-time employees are eligible to participate in the defined contribution plan after completion of one month of continuous service. Participants may voluntarily contribute eligible pre-tax and post-tax compensation in 0.5% increments (1% up to December 2015) of up to 90% of their annual compensation in accordance with the annual limits as determined by the Internal Revenue Service. Eligible employees receive a 50% match of their contributions up to 6% of their eligible compensation. Employees above the age of 50 years may choose to contribute "catch-up" contributions in accordance with the Internal Revenue Service limits and are matched the same up to the maximum Group contribution of 3% of eligible compensation. The Group's matching contributions vest 100% after three years of service. The Group has contributed 1,092,118; 1,099,296 and 1,238,450 for the year ended March 31, 2015; March 31, 2016 and March 31, 2017, respectively.
- b. The entities of the Group located in Canada contribute to a Registered Retirement Savings Plan (RRSP), a trust registered with Canada Revenue Agency (CRA) and to Quebec pension plan (QPP). Under RRSP plan, the Group contributes equivalent to the contribution made by the employee, up to a maximum of 5% of the employees' base salary. Under QPP plan, the Group contributes equivalent to the contribution made by the employees at the rate of 5.25%; 5.25% and 5.25% of the employees' base salary for the year ended March 31, 2015; March 31, 2016 and March 31, 2017, respectively.

During the year, the Group has contributed following amounts to:

Plan under which contributions made	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Registered retirement savings plan (RRSP)	1,053,580	885,690	908,174
Quebec pension plan (QPP)	1,079,088	925,842	1,139,797

- c. Further, the entities of the Group located in Belgium contribute to social security fund named as RijksSocialeZekerheid (RSZ). Under these plan employees have to contribute 13% of their compensation and the Group makes a contribution of 33.33% of the employee's annual compensation. The Group has contributed 276,971; 98,574 and 64,746 for the year ended March 31, 2015; March 31, 2016 and March 31, 2017, respectively.

(B) Defined Benefit Plans

i. Gratuity

In accordance with International Accounting Standard (IAS) 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 9.40% p.a., 7.74% p.a., 7.90% p.a., 7.50 % p.a. as at April 01, 2014; March 31, 2015; March 31, 2016 and March 31, 2017, respectively which is determined by reference to market yield at the Statement of financial position date on government bonds. The retirement age has been considered at 58 years and mortality table is as per IALM (2006-08) as at April 01, 2014; March 31, 2015; March 31, 2016 and March 31, 2017.

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three years and 6% p.a. thereafter as at April 01, 2014; March 31, 2015; March 31, 2016 and March 31, 2017, taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for certain employees of one unit of the Group. The details of investments maintained by Life Insurance Corporation are not available with the Group, hence not disclosed. The expected rate of return on plan assets is 9.00% p.a., 9.00% p.a., 10.00% p.a. and 7.50% p.a. as at April 01, 2014; March 31, 2015; March 31, 2016 and March 31, 2017, respectively.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Present value of obligation at the beginning of the year	1,411,833	1,750,206	1,747,143
Current service cost	229,397	301,780	362,555
Interest cost	84,718	129,816	136,905
Actuarial loss	269,868	100,661	240,045
Benefits paid	(254,533)	(437,402)	(270,143)
Adjustment for business combination	76,191	-	-
Effect of exchange rate changes	(67,268)	(97,918)	55,590
Present value of obligation at the end of the year	1,750,206	1,747,143	2,272,195

Fair Value of Plan Assets:**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Plan assets at the beginning of the year	292,913	285,226	259,793
Expected return on plan assets	20,273	25,244	8,666
Contribution by employer	4,725	60,105	85,667
Actual benefits paid	(26,490)	(98,589)	(28,713)
Actuarial (loss)/ gain	(7,321)	(3,357)	-
Actualization Adjustment	13,363	-	-
Effect of exchange rate changes	(12,237)	(8,835)	7,845
Plan assets at the end of the year	285,226	259,794	333,260

** In respect of one location, the plan assets were invested in insurer managed funds.

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Present value of obligation at the end of the year	1,750,206	1,747,143	2,272,195
Fair value of plan assets at the end of the year	(285,226)	(259,794)	(333,259)
Net liabilities recognised in the Statement of financial position	1,464,980	1,487,349	1,938,936

Group's best estimate of contribution during next year is 610,450; 613,091 and 586,483 for the year March 31, 2015; March 31, 2016 and March 31, 2017, respectively.

Expense recognised in the Statement of Profit or Loss and Other Comprehensive income under employee benefits expense:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Current service cost	229,397	301,780	362,555
Interest cost	84,718	129,816	116,629
Net cost recognized in the Consolidated statement of profit or loss and other comprehensive income	314,115	431,596	479,185

Amount recognised in the Statement of Profit or Loss and Other Comprehensive income under other comprehensive income:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
Actuarial (gain)/loss due to demographic assumption change	-	-	(1,159)
Actuarial (gain)/loss due to financial assumption change	-	(19,309)	53,864
Actuarial (gain)/loss due to experience adjustment	269,868	120,147	175,830
Expected return on plan assets	-	(177)	11,610
Amount recognised in the other comprehensive income	269,868	100,661	240,145

Sensitivity analysis

Particulars	As at March 31, 2017			
	Discount rate		Future salary increase	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(69,950)	74,149	74,520	(70,924)

The sensitivity analysis above has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

ii. Provident Fund:

The Group makes contribution to a recognised provident fund “Vam Employees Provident Fund Trust” (a multiemployer trust) for most of its employees in India, which is a defined benefit plan to the extent that the Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The total liability of Nil, Nil and Nil as at March 31, 2015, March 31, 2016 and March 31, 2017 as worked out by the actuary has been allocated to each entity based on the corpus value of each entity as on March 31, 2015, March 31, 2016 and March 31, 2017. Accordingly, liability of Nil, Nil and Nil as at March 31, 2015, March 31, 2016 and March 31, 2017 has been allocated to Company and Nil, Nil and Nil for the year ended March 31, 2015, March 31, 2016 and March 31, 2017 has been charged to Statement of Profit or Loss and other comprehensive income during the year

According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the Group as at 31 March 2017 is 8.65% and hence no provision is required to be provided for in the books of accounts towards the guarantee given for notified interest rates.

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Discount rate	9.40%	7.74%	7.90%	7.50%
Guaranteed rate of return	8.75%	8.75%	8.80%	8.65%

The Group has contributed to provident fund 726,085; 610,079 and 693,463 for the year ended March 31, 2015; March 31, 2016 and March 31, 2017.

(C) Other long term benefits (compensated absences):

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Present value of obligation at the end of the year	1,206,447	1,436,640	1,355,472	1,685,910

Note 25: Fair value measurements

			As at April 01, 2014			As at March 31, 2015			As at March 31, 2016			As at March 31, 2017		
	Note	Level of hierarchy	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FV OCI	Amortised cost
Financial assets														
Investments	(d)	3	698,270	2,173,500	-	2,288,028	7,020,614	-	-	7,020,614	-	-	-	-
Trade receivables	(a)		-	-	86,105,098	-	-	83,951,053	-		96,374,050	-	-	95,450,918
Cash and cash equivalents	(a)		-	-	27,349,860	-	-	26,304,387	-		27,474,509	-	-	48,409,121
Derivative financial assets	(e)	2	-	-	-	162,400	-	-	-	-	-	-	-	-
Other financial assets	(a,b)		-	-	2,411,325	-	-	2,559,352	-		5,635,434	-	-	51,959,899
Total financial assets			698,270	2,173,500	115,866,283	2,288,028	7,020,614	112,814,793	-	7,020,614	129,483,993	-	-	195,819,938
Financial liabilities														
Loans and borrowings	(c)	1,3	-	-	150,468,688	58,918,566	-	331,740,688	59,100,252	-	338,101,355	57,489,548	-	358,895,545
Trade payables	(a)		-	-	47,674,598	-	-	44,675,773	-	-	50,197,883	-	-	50,187,151
Employee benefits	(a)		-	-	12,072,318	-	-	10,806,895	-	-	13,718,358	-	-	15,209,193
Other financial liabilities	(a)		-	-	2,037,987	-	-	84,839,754	-	-	19,656,133	-	-	40,232,822
Total financial liabilities			-	-	212,253,590	58,918,566	-	472,063,110	59,100,252	-	421,673,730	57,489,548	-	464,524,711

Note:

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- (b) Fair value of non-current financial assets has not been disclosed as there is no significant difference between carrying value and fair value.

(c) Fair value of Loans and borrowings is as below:

	Level	Fair Value			
		As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Bond	1	-	-	-	299,250,000
Other borrowings (including current maturities)*	3	150,510,076	390,129,286	395,655,767	117,827,127
Total		150,510,076	390,129,286	395,655,767	417,077,127

* The fair value of borrowings is based upon a discounted cash flow analysis that uses the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates.

- (d) The fair value is determined by using the valuation model/techniques with observable/non-observable inputs/assumptions.
(e) The fair values of the derivative financial instruments has been determined using valuation techniques with observable and non- observable relevant inputs.

There are no transfers between level 1, level 2 and level 3 during the years ended March 31, 2015; March 31, 2016 and March 31, 2017

Reconciliation of fair value measurement performed using level 3 of fair value hierarchy is as below:

	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Opening balance	2,871,770	9,308,642	7,020,614
Additional investment	-	-	-
Gain/loss recognised in profit or loss	1,589,758	476,980	-
Gain/loss recognised in other comprehensive income	4,847,114	-	(4,847,114)
Sale of investments	-	(2,765,009)	-
Transfer to capital reserve	-	-	2,173,500
Closing balance	9,308,642	7,020,614	-

Note 26: Financial risk management

A. Financial risk management

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

- credit risk (see A(i));
- liquidity risk (see A(ii)); and
- market risk (see A(iii)).

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the Risk management policies. The risk and mitigation plan are identified, deliberated and reviewed at appropriate forums.

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, investments and other financial assets.

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables and other financial assets

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information, and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or enduser customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

The customers of the Group are spread across North America, Europe, Asia and rest of the world regions though majority of customers are based out of North America, and accordingly, trade accounts receivables are concentrated in these geographies. To reduce credit risk, the Group performs ongoing credit evaluation of customers. As of April 01, 2014, March 31, 2015, March 31, 2016 and March 31, 2017, one customer is having 17%, 16%, 19% and 20% share in total trade receivables of the Group respectively.

Expected credit loss for trade receivables:

Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 month (net of expected credit loss allowance) is 2,462,710; 1,898,458; 1,548,128 and 2,406,457 as at April 01, 2014; March 31, 2015; March 31, 2016 and March 31, 2017.

Movement in the expected credit loss allowance of trade receivables are as follows:

	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Balance at the beginning of the year	1,697,398	2,667,870	2,183,205
Add : Provided during the year (net of reversal)	1,653,571	278,325	205,433
Less : Amount written off /translation adjustment	(683,099)	(762,990)	(185,655)
Balance at the end of the year	2,667,870	2,183,205	2,202,984

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for excepted credit loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on consolidated statement of financial position.

ii. Liquidity risk

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

The Group's treasury department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily by Treasury. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation

Exposure to liquidity risk

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

As at April 01, 2014	Contractual Cash flows			
	Carrying Amount	Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Loans and borrowings (1)	150,468,689	150,860,751	150,851,447	9,304
Trade payables	47,674,597	47,674,597	47,674,597	-
Other financial liabilities	8,294,559	8,294,559	2,447,597	5,846,962
Employee benefits	12,072,319	12,072,319	10,186,678	1,885,641

	Contractual Cash flows			
As at March 31, 2015	Carrying Amount	Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Loans and borrowings (1)	390,659,254	394,744,365	289,176,635	105,567,730
Trade payables	44,675,773	44,675,773	44,675,773	-
Other financial liabilities	84,985,541	84,985,541	79,385,541	5,600,000
Employee benefits	10,806,899	10,806,899	8,058,606	2,748,293

	Contractual Cash flows			
As at March 31, 2016	Carrying Amount	Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Loans and borrowings (1)	397,201,607	402,010,069	247,618,613	154,391,456
Trade payables	50,197,883	50,197,883	50,197,883	-
Other financial liabilities	19,656,133	19,656,133	8,956,134	10,700,000
Employee benefits	13,718,356	13,718,356	11,032,299	2,686,057

	Contractual Cash flows			
As at March 31, 2017	Carrying Amount	Total	Within 1 year	More than 1 year
Non-derivative financial liabilities				
Loans and borrowings (1)	416,385,093	421,879,934	38,894,116	382,985,818
Trade payables	50,187,151	50,187,151	50,187,151	-
Other financial liabilities	40,232,822	40,232,822	11,532,822	28,700,000
Employee benefits	15,209,192	15,209,192	12,000,470	3,208,722

(1) Carrying amount presented as net of unamortized transaction cost.

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the INR, USD, CAD and Euro. The currencies in which these transactions are primarily denominated are INR, USD, CAD and Euro.

The Group follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to entering into forward contracts and interest rate swaps.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk with counterparties outside the Group is as follows:

	As at April 01, 2014			
	USD	EUR	CAD	Others
Trade receivables	26,655,093	1,542,068	-	300,314
Cash and cash equivalents	2,045,917	-	-	286,484
Trade payables	4,598,881	915,655	43,216	430,751
Net statement of financial position exposure	24,102,128	626,414	(43,216)	156,047

	As at March 31, 2015			
	USD	EUR	CAD	Others
Trade receivables	21,792,727	480,148	151,930	368,794
Cash and cash equivalents	6,967,348	-	-	41,980
Loans and borrowings	10,387,212	-	-	-
Trade payables	3,254,991	81,841	1,922	238,328
Net statement of financial position exposure	15,117,871	398,308	150,009	172,447

	As at March 31, 2016			
	USD	EUR	CAD	Others
Trade receivables	29,656,984	967,950	494,896	925,454
Cash and cash equivalents	13,987,588	-	-	202,770
Loans and borrowings	52,761,496	-	-	-
Trade payables	3,978,699	34,271	1,895	655,998
Net statement of financial position exposure	(13,095,622)	933,679	493,001	472,227

	As at March 31, 2017			
	USD	EUR	CAD	Others
Trade receivables	33,035,759	1,323,379	182,120	506,788
Cash and cash equivalents	34,599,712	-	-	52,230
Loans and borrowings	8,613,741	-	-	-
Trade payables	5,980,142	-	-	31,096
Net statement of financial position exposure	53,041,588	1,323,379	182,120	527,922

Sensitivity analysis

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

	Profit or loss (before tax)		Equity (OCI-before tax)	
	Strengthening	Weakening	Strengthening	Weakening
31-Mar-15				
USD (1% movement)	151,179	(151,179)	-	-
EUR (1% movement)	3,983	(3,983)	-	-
CAD (1% movement)	1,500	(1,500)	-	-
Others (1% movement)	1,724	(1,724)	-	-
31-Mar-16				
USD (1% movement)	(130,956)	130,956	-	-
EUR (1% movement)	9,337	(9,337)	-	-
CAD (1% movement)	4,930	(4,930)	-	-
Others (1% movement)	4,722	(4,722)	-	-
31-Mar-17				
USD (1% movement)	530,416	(530,416)	-	-
EUR (1% movement)	13,234	(13,234)	-	-
CAD (1% movement)	1,821	(1,821)	-	-
Others (1% movement)	5,279	(5,279)	-	-

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 changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in LIBOR and other benchmark lending rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

The interest rate profile of the Group's interestbearing financial instruments as reported to the management of the Group is as follows:

The following table provides a break-up of the Group's fixed, floating and zero rate borrowings:

	Nominal Amount			
	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Fixed-rate borrowings	11,220	47,692	121,070	300,171,336
Floating-rate borrowings	126,457,468	377,311,563	397,080,537	107,321,699
Total loans and borrowings (gross of transaction cost)	126,468,688	377,359,255	397,201,607	407,493,035

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 25 basis points higher / lower and all other variables were held constant, the Group's profit would decrease / increase by 69,318, 102,577 and 14,253 for the year ended March 31, 2015, March 31, 2016 and March 31, 2017. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Note 27: Capital management

(a) Risk management

The group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:
Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the statement of financial position, including non-controlling interests).

The gearing ratios were as follows:

Particulars	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Net debt *	123,118,828	364,354,867	369,727,098	367,975,972
Total equity	548,592,726	239,118,781	282,433,430	328,105,202
Net debt to equity ratio	0.22	1.52	1.31	1.12

* represents loans and borrowings

Note 28: Segment information

(a) Description of segments and principal activities

The Chairman and Managing Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by IFRS 8, Operating Segments. Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of segment and to make decision about allocation of resources. Accordingly, the Group has determined pharmaceuticals as the only reportable segment.

Further entity-wide disclosures as required by IFRS 8 are set out below:

(i) Segment revenues:

	Pharmaceuticals		
	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2017
North America	303,771,067	315,581,082	325,017,861
Europe	45,561,058	50,795,150	79,857,021
Asia	27,745,907	22,058,314	24,848,800
Rest of the world	35,099,364	41,567,981	23,277,698
Total	412,177,396	430,002,526	453,001,380

(ii) Segment non-current assets*:

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
North America	398,468,864	386,523,649	384,179,559	378,043,448
Europe	11,369,985	8,504,575	9,087,183	9,789,790
Asia**	138,182,285	138,808,171	132,267,938	206,888,325
Total	548,021,134	533,836,394	525,534,680	594,721,563

* Non-current assets exclude investment in financial instruments and deferred tax assets.

**Asia includes Nil; Nil; 149,452 and 172,299 as at April 01, 2014; March 31, 2015; March 31, 2016 and March 31, 2017, respectively, based in Singapore (country of domicile).

(iii) For the years ended March 31, 2015, March 31, 2016 and March 31, 2017, there is no major customer with respect to consolidated revenue of the group.

Note 29: Interests in other entities

Non-controlling interests (NCI)

On December 22, 2014, the Group had acquired the remaining non controlling interest of 17.62% of the outstanding common stock of its subsidiary Cadista Holdings Inc. for a consideration of 33,205,770. This was accounted for as an equity transaction and the excess of consideration over the accumulated amount of such non controlling interest has been shown as an adjustment to the merger reserve.

The following table summarizes the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations:

April 01, 2014	Cadista Holdings IncConsol
NCI percentage	17.62%
Non-current assets	38,790,243
Current assets	106,423,273
Non-current liabilities	3,505,816
Current liabilities	10,679,129
Net assets	131,028,572
Net assets attributable to NCI	24,010,078
March 31, 2015	
NCI percentage	17.62%
Revenue	79,833,359
Profit for the year	16,446,260
Total Comprehensive income	16,446,260
Profit allocated to NCI	2,897,831
Total Comprehensive income allocated to NCI	2,897,831
Cash flows from operating activities	14,151,552
Cash flows from investing activities	(20,048,298)
Cash flows from financing activities (dividend to NCI: Nil)	2,179,830
Net increase/ (decrease) in cash and cash equivalents	(3,716,916)

Note 30: Related Party Disclosures

(a) Parent entity

The group is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest		
			March 31, 2015	March 31, 2016	March 31, 2017
Jubilant Life Sciences Limited	Immediate and Ultimate parent entity	India	100%	100%	100%

(b) Fellow subsidiary

- Jubilant Biosys Limited
- Jubilant Chemsys Limited
- Jubilant Clinsys Limited
- Jubilant Discovery Services Inc.
- Jubilant Drug Discovery and Development Services Inc.
- Jubilant Innovation (BVI) Limited
- Jubilant Innovation (USA) Inc.
- Jubilant Life Sciences (Switzerland) AG
- Jubilant Life Sciences (USA) Inc.
- Jubilant Life Sciences NV
- Jubilant Life Sciences International Pte Limited

(c) Directors & Key Management Personnel (KMP):

Shyam S. Bhartia, Hari S. Bhartia, R. Sankaraiah, Suresh Kumar, Dr. Inder Mohan Verma, Shanker Iyer, Gurpartap Singh Sachdeva – CEO, Arun K Sharma – CFO

(d) Other enterprise in which certain key management personnel are interested:

- Jubilant Oil & Gas Private Limited
- Jubilant Agri and Consumer Products Limited

(e) Others:

- Vam Employees Provident Fund Trust.

Transactions with related parties

	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2017
Purchase of goods and services from :			
- Jubilant Clinsys Limited	206,628	161,831	-
- Jubilant Biosys Limited	7,336	22,015	12,801
- Jubilant Life Sciences (USA) Inc.	426,471	245,600	236,879
- Jubilant Chemsys Limited	-	13,531	7,601
- Jubilant Life Sciences Limited	1,377,971	873,306	981,245
Sale of goods and services to :			
- Jubilant Life Sciences Limited	311,445	805,470	114,652
- Jubilant Chemsys Limited	361	273	-
- Jubilant Life Sciences (USA) Inc.	5,115,967	-	-
- Jubilant Clinsys Limited	1,417	-	-
Reimbursement of expenses:			
- Jubilant Life Sciences Limited	7,988,294	7,015,203	7,659,011
- Jubilant Clinsys Limited	138,763	70,584	-
- Jubilant Life Sciences (USA) Inc.	57,817	12,991	25,752
- Jubilant Chemsys Limited	6,490	6,489	6,186
- Jubilant Biosys Limited	32,858	-	11,490
Recovery of expenses :			
- Jubilant Life Sciences Limited	265,107	450,388	65,036
- Jubilant Life Sciences (USA) Inc.	101,870	127,963	138,807
- Jubilant Discovery Services Inc.	74,887	136,695	89,301
- Jubilant Drug Discovery & Development Services Inc.	25,068	11,900	9,016
- Jubilant Chemsys Limited	53,509	115,986	-
- Jubilant Agri and Consumer Products Limited	34,728	62,897	56,777
- Jubilant Clinsys Limited	36,229	-	-
- Jubilant Biosys Limited	-	-	-
- Jubilant Innovation (USA) Inc.	-	-	-
- Jubilant Life Sciences (Switzerland) Inc.	-	-	2,032
- Jubilant Life Sciences NV	-	191,644	132,441
Loans and borrowings taken :			
- Jubilant Life Sciences Limited	13,000,000	-	-
- Jubilant Innovation USA Inc.	-	-	-

Jubilant Pharma Limited
Notes to the consolidated financial statements
(All amounts in USD, unless otherwise stated)

	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2017
Loans and borrowings repaid :			
- Jubilant Life Sciences Limited	23,700,000	13,300,000	-
Loans and borrowings given :			
- Jubilant Life Sciences Limited	-	-	48,464,062
Interest on borrowings/ payable for business purchase :			
- Jubilant Life Sciences Limited	7,906,448	363,291	-
Interest on loans and borrowings borrowing given :			
- Jubilant Life Sciences Limited	-	-	1,881,004
Group's contribution to provident fund trust :			
-Vam Employees Provident Fund Trust	726,085	610,079	693,463
Rent expenses :			
- Jubilant Life Sciences Limited *	710,975	796,922	-
- Jubilant Clinsys Limited *	1,805	-	-
Purchase of property, plant and equipment from :			
- Jubilant Oil & Gas Private Limited	-	2,042	-
- Jubilant Chemsys Limited	3,271	-	-
- Jubilant Infrastructure Limited			
Consideration for share purchase from : ^^			
- Jubilant Life Sciences Limited	67,718,771	-	-
Consideration for business purchase from : ^^			
- Jubilant Life Sciences Limited	220,708,083	-	-
Sale of assets:			
- Jubilant Drug Development and Discovery Services Inc	-	-	58,420
Transfer of safe food investment (refer note 6)			
- Jubilant Life Sciences			

Transactions with key managerial personnel

Salary and related perquisites	409,475	1,878,769	2,545,222
Sitting Fee	24,000	16,500	48,500
Director Fee	98,267	75,000	75,000

The balances receivable from and payable to related parties are summarized as follows:

Due from related parties

Short term debt (including interest) receivable

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Jubilant Life Sciences Limited	-	-	-	50,441,266
Jubilant Innovation (BVI) Limited	30,000	30,000	-	-
	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>50,441,266</u>

Trade receivables

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Jubilant Life Sciences (USA) Inc.	1,302,868	-	-	-
Jubilant Life Sciences NV	2,846,894	4,813	-	-
Jubilant Life Sciences Limited	1,373,374	520,272	330,621	273,768
Jubilant Clinsys Limited	199,745	200,877	200,879	-
	<u>5,722,881</u>	<u>725,962</u>	<u>531,500</u>	<u>273,768</u>

Advance recoverable

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Jubilant Drug Discovery and Development Services Inc.	5,640	-	40	67,340
Jubilant Discovery Services Inc.	14,922	59,217	316,445	334,092
Jubilant Biosys Limited	215,340	215,340	215,340	-
Jubilant Chemsys Limited	100,362	-	112,188	306
Jubilant Life Sciences (USA) Inc.	15,302	84,006	42,056	54,521
Jubilant Life Sciences Limited	149,508	30,866	641,315	124,972
Jubilant Clinsys Limited	577,941	644,391	441,416	-
Jubilant Agri and Consumer Products Limited	-	-	-	29,154
	<u>1,079,015</u>	<u>1,033,820</u>	<u>1,768,800</u>	<u>610,385</u>

Due to related parties

Short term debt (including interest) payable

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Jubilant Life Sciences Limited	24,098,792	13,520,553	-	-
Jubilant Innovation (USA) Inc.	-	-	-	1,879,855
	<u>24,098,792</u>	<u>13,520,553</u>	<u>-</u>	<u>1,879,855</u>

Trade payables

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Jubilant Clinsys Limited	2,106,289	2,461,694	2,285,742	-
Jubilant Life Sciences Limited	8,229,350	4,459,644	7,965,698	10,479,910
Jubilant Life Sciences (USA) Inc.	15,000	300,406	558,997	406,482
Jubilant Life Sciences NV	1,600,290	1,066,791	601,923	87,794
Vam Employees Provident Fund Trust	-	140,449	139,184	-
Jubilant Biosys Limited	8,607	33,783	54,996	68,970
Jubilant Discovery Services Inc.	-	-	-	7,000
Jubilant Life Sciences (Switzerland) AG	-	-	-	3,099
Jubilant Chemsys Limited	400,000	-	2,446	-
	<u>12,359,536</u>	<u>8,462,767</u>	<u>11,608,986</u>	<u>11,053,255</u>

Payable for business purchase (including interest)

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Jubilant Life Sciences Limited	-	72,448,111	5,608,007	-
	<u>-</u>	<u>72,448,111</u>	<u>5,608,007</u>	<u>-</u>

Note 31:Contingent liabilities to the extent not provided for:

A. Guarantees:

Outstanding guarantees furnished by Banks on behalf of the Group as at April 01, 2014 is 16,826, March 31, 2015 is 22,493, March 31, 2016 is 13,754 and March 31, 2017 is 8,327.

B. Claims against Group, disputed by the Group, not acknowledged as debt:

	As at April 01, 2014	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Central Excise	59,907	75,680	70,188	71,781
Customs	-	13,280	1,207	1,218
Service Tax	3,536,246	3,882,080	3,687,698	352,352
Others	-	-	1,001,910	386,739

Future cash outflows in respect of the above matters as well as for matters listed under 33(C) below are determinable only on receipt of judgments/decisions pending at various stages/forums.

C. Other contingent liabilities as at March 31, 2017

- a) A customer has filed a claim against Jubilant Pharmaceuticals NV (JPNV), a subsidiary of the Group in Belgium alleging contravention of certain provisions of Licensing and Supply agreement between the parties and claiming damages (excluding interest) amounting to 2,875,120; 2,239,677; 2,370,933 and 2,226,134as at April 01, 2014; March 31, 2015;March 31, 2016 and March 31, 2017, respectively. JPNV has also filed a counter claim against this customer for damages amounting to 3,283,955; 2,558,154; 2,708,073 and 2,542,685as at April 01, 2014; March 31, 2015; March 31, 2016 and March 31, 2017, respectively in the same dispute. The case is under arbitration.
- b) Further, during the year ended March 31, 2014, the Group had received warning letters from U.S. Food and Drug Administration ("U.S. FDA") for its pharmaceutical sterile manufacturing facility located in Spokane, Washington, (USA). The letters were related to process implementation/improvements plans noticed by U.S. FDA. During the year ended March 31, 2016, the Group was informed by the U.S. FDA that the above facility has been upgraded to the status of Voluntary Action Indicated (VAI). The Spokane site's latest Establishment Inspection Report (EIR) indicates the inspections have been successfully concluded
- c) Additionally, the Group is involved in other disputes, lawsuits, claims, governmental and/ or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The Group believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its consolidated financial statements.

Note 32: Commitments as at year end

(a) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) is 4,913,584; 7,956,297; 8,525,703 and 18,067,412 as at April 01, 2014; March 31, 2015; March 31, 2016 and March 31, 2017, respectively.

(b) For leases, refer note 33.

(c) Other Commitments:

Exports obligation undertaken by the Group under EPCG scheme to be completed over a period of six years on account of import of capital goods with no import duty and remaining outstanding is Nil; 1,237,387, 1,286,800 and 1,821,280 as at April 01, 2014; March 31, 2015; March 31, 2016 and March 31, 2017, respectively. Similarly, export obligation under Advance License Scheme on duty free import of specific raw materials, remaining outstanding is 46,339,158; 19,198,268; 15,421,361 and 17,809,715 as at April 01, 2014; March 31, 2015; March 31, 2016 and March 31, 2017, respectively.

Note 33: Leases

- i) The Group's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). These leasing arrangements, which are cancellable, range between 11 months and 10 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are 933,800 for the year ended March 31, 2015, 1,048,662 for the year ended March 31, 2016 and 841,784 for the year ended March 31, 2017.
- ii) The Group has operating lease arrangements in respect of vehicles which are cancellable, range between 2 years and 5 years. The aggregate lease rentals payable are charged as expenses. Rental expenses recognized under such leases amounting to 3,120; 43,069 and 53,268 for the year has been included under vehicle running and maintenance expense in note 22.

The schedule of future minimum lease rental payments in respect of non-cancellable operating leases is set out below:

Particulars	Minimum lease payments		
	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017
Not later than one year	400,987	915,802	831,905
Later than one year but not later than five years	58,758	2,960,454	2,336,269
Later than five years	-	-	-

Rental expenses recognised under such leases during the year are 1,643,367; 1,181,229 and 983,320 for the year ended March 31, 2015; March 31, 2016 and March 31, 2017, respectively.

iii) Assets acquired under finance lease:

Future minimum lease payments and their present values under finance leases in respect of vehicles are as follows:

Particulars	Minimum lease payments				Present value of minimum lease payments				Future interest			
	As at 01 Apr 2015	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017	As at 01 Apr 2015	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017	As at 01 Apr 2015	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017
Not later than one year	3,472	28,000	55,377	67,217	1,920	23,040	41,479	47,016	1,552	4,960	13,902	20,200
Later than one year but not later than five years	11,968	28,160	95,109	150,686	9,297	24,640	79,638	124,225	2,671	3,520	15,472	26,307
Later than five years	-	-	-	-	-	-	-	-	-	-	-	-

There is no element of contingent rent or sub lease payments. The Group has option to purchase the assets at the end of the lease term. There are no restrictions imposed by these lease arrangements regarding dividend, additional debt and further leasing.

Note 34: During the year ended March 31, 2015, March 31, 2016 and March 31, 2017 finance costs amounting to 3,919,343, 4,224,103 and 6,184,834 has been capitalized.

Note 35: The Group periodically reviews the carrying value of internally generated intangible assets – product registration/ market authorisation and intangibles under development, in the context of market, technical and financial feasibility/viability related information. Basis this review, in addition to impairment reflected in Note 5, the management impaired intangibles under development amounting to 165,736; 9,033,542 and 553,455 during the year ended March 31, 2015; March 31, 2016 and March 31, 2017. The impairment charge is included under the head depreciation, amortisation and impairment.

Note 36: Employee Stock Option Scheme

Jubilant India has two stock option plans in place namely:

- Jubilant Employees Stock Option Plan, 2005 (“Plan 2005”)
- JLL Employees Stock Option Plan, 2011 (“Plan 2011”)

Jubilant India has Nomination, Remuneration and Compensation Committee (‘Committee’) of the Board of Directors which comprises a majority of Independent Directors is responsible for administration and supervision of the Stock Option Plans. During the year ended 31 March 2009, members approved constitution of Jubilant Employees Welfare Trust.

Both plans allows grant of option stock to eligible categories of employees of the Company and its subsidiaries (including partnership) at its market price.

Under Plan 2005, as amended, and under Plan 2011, each option, upon vesting, shall entitle the holder to acquire five equity shares of ` 1 each. Options granted up to 28 August 2009 will vest entirely within two years from the

grant date, with certain lock-in provisions. Options granted after 28 August 2009 will vest gradually over a period of 5 years from the grant date, without any lock-in provisions.

Under Plan 2011, each option, upon vesting, shall entitle the holder to acquire one equity share of ` 1 each. Options granted will vest gradually over a period of 3 years from the grant date. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

PLAN 2005							PLAN 2011		
Sr. No	Vesting schedule (With lock in) Applicable for grants made up to 28 August, 2009			Vesting Schedule (Without lock in) Applicable for grants made after 28 August, 2009			Vesting schedule		
	% of options scheduled to vest	Vesting date	Lock-in period	% of options scheduled to vest	Vesting date	Lock-in period	% of options scheduled to vest	Vesting date	Lock-in period
1.	10	1 year from grant date	Nil	10	1 year from grant date	Nil	20	1 year from grant date	Nil
2.	15	2 years from grant date	Nil	15	2 years from grant date	Nil	30	2 years from grant date	Nil
3.	20	2 years from grant date	1 year from vesting date	20	3 years from grant date	Nil	50	3 years from grant date	Nil
4.	25	2 years from grant date	2 years from vesting date	25	4 years from grant date	Nil			
5.	30	2 years from grant date	3 years from vesting date	30	5 years from grant date	Nil			

There were no options granted during the year ended 31 March 2015; 31 March 2016 and 31 March 2017, accordingly disclosures as required under IFRS 2 w.r.t. weighted average fair value of stock options granted during the year is not applicable.

The movement in the stock options under both the Plans, during the year, is set out below:

Under Plan 2005

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2016		For the year ended March 31, 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	69,035	3.66	83,385	4.05	21,000	3.87
Forfeited during the year	(32,650)	3.50	(13,385)	3.52	(9,500)	251.68

Jubilant Pharma Limited
Notes to the consolidated financial statements
(All amounts in USD, unless otherwise stated)

Exercised during the year	-	(49,000)	3.85	(11,000)	250.02
Adjustment on account of business combination	47,000	4.25	-	-	-
Outstanding at the end of the year	83,385	4.05	21,000	3.87	500
Exercisable at the end of the year	83,385	4.05	21,000	3.87	500

Under Plan 2011

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2016		For the year ended March 31, 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	338,020	3.39	179,037	3.44	58,265	4.71
Forfeited during the year	(160,047)	3.46	(64,407)	3.17	(4,325)	218.34
Exercised during the year	-	-	(56,365)	3.22	(37,680)	216.3
Adjustment on account of business combination	1,064	-	-	-	-	-
Outstanding at the end of the year	179,037	3.44	58,265	4.71	16,260	215.14
Exercisable at the end of the year	114,898	3.38	35,483	3.27	16,260	215.14

Fair value of options granted

The weighted average fair value of options granted as at the year ended 31 March 2017 for Plan 2005 and Plan 2011 were USD 1.45 per option and USD 1.31 per option respectively. The fair value at grant date is determined using the Black Scholes Merton which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs to models used for fair valuation of two plans:

Particulars	Plan 2005	Plan 2011
Expected volatility	29.73% - 41.76%	38.36% - 45.95%
Risk free interest rate	7.52% - 9.44%	7.74% - 8.81%
Exercise price (₹)	198.55 - 359.25	170.20 - 220.90
Expected dividend yield	0.51% - 0.90%	0.63% - 1.10%
Life of options (years)	4.25	3.65

Expense arising from share-based payment transaction

The expenses arising from share-based payment transaction recognised in profit or loss as part of employee benefit expense for the year ended 31 March 2015, 31 March 2016 and 31 March 2017, were 84,752, 29,618 and 7,405 respectively.

Share options outstanding at the end of the year:

Jubilant Pharma Limited
Notes to the consolidated financial statements
(All amounts in USD, unless otherwise stated)

Options	Options outstanding as at 31 March 2015	Options outstanding as at 31 March 2016	Options outstanding as at 31 March 2017	Remaining contractual life (in years) as at 31 March 2015	Remaining contractual life (in years) as at 31 March 2016	Remaining contractual life (in years) as at 31 March 2017	Exercise Price (₹)
Option Plan 2005	83,385	21,000	500	2.21	2.99	-	314.35
Option Plan 2011	179,037	58,265	16,260	5.24	5.44	-	215.14
Total							

Stock option plan of Cadista Holdings Inc.

Cadista Holdings Inc. has issued 749,547 stock options during the period 1995 to 2000 providing option to purchase equal number of common stock of Cadista Holdings Inc. at a price ranging from 0.80 to 1.60 per share and the weighted average exercisable price of these options is 1.54 as at each year end. The options were granted at exercise prices higher than the fair values on grant dates. All of the options are fully vested as at July 1, 2005 and remain unexercised since then.

Pursuant to the terms of the merger, each option to purchase shares that was issued by Cadista and was outstanding at the effective time of the merger on December 22, 2014, was at the effective time of the merger, automatically cancelled, and the holder of such option was entitled to receive cash (without interest, and less any applicable withholding taxes) equal to the product of (i) the excess, if any, of the merger consideration (1.60 per -share) over the per share exercise price of such option, multiplied by (ii) the number of shares subject to such option. Options with an exercise price that was equal to or greater than the merger consideration, upon the consummation of the merger, were cancelled without consideration. Holders of stock options are not entitled to exercise appraisal rights under Delaware law.

The erstwhile option holders holding 59,500 options at an exercise price of 0.80 per share have the right to make a claim for the differential amount of 0.80 per share totaling to 47,600, hence the Group has provided liability for the same in the books of account during the year ended March 31, 2015. Further, during the year ended March 31, 2016 one option holder claimed 4,200 for 5,250 options held which was adjusted with the total liability.

Note 37: First time adoption of IFRS

Transition to IFRS

These are the Group's first consolidated financial statements prepared in accordance with IFRS.

The significant accounting policies set out in note 2 have been applied in preparing the consolidated financial statements for the year ended March 31, 2017, the comparative information presented in these consolidated financial statements for the year ended March 31, 2016, March 31, 2015 and in the preparation of an opening IFRS Consolidated Statement of Financial Position at April 01, 2014 (the Group's date of transition). In preparing its opening IFRS Consolidated Statement of Financial Position, the Group has adjusted the amounts reported previously in consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States ("previous GAAP"). An explanation of how the transition from previous GAAP to IFRS has affected the Group's consolidated financial position, consolidated financial performance and consolidated cash flows is set out in the following tables and notes.

(A) Exemptions and exceptions availed

Set out below are the applicable IFRS 1 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to IFRS.

(I) IFRS optional exemptions

(1) Business combinations

IFRS 1 provides the option to apply IFRS 103 "Business Combinations" prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date or a specific date prior to the transition date.

The Group elected to apply IFRS 3 prospectively to business combinations consummated after its transition date. Business combinations occurring prior to the transition date or a specific date prior to the transition date have not been restated.

(2) Deemed cost

IFRS 1 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to IFRS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by IAS 38 "Intangible Assets".

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets already recognized under previous GAAP at their previous GAAP carrying value.

(3) Cumulative translation differences

As per IFRS 1, an entity may deem that the cumulative translation differences for all foreign operations are deemed to be zero at the date of transition to IFRSs. Accordingly, the Group has elected to avail of the above exemption.

(II) IFRS mandatory exemptions

(1) Estimates

An entity's estimates in accordance with IFRS at the date of transition to IFRS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

IFRS estimates as at April 01, 2014 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with IFRS at the date of transition as these were not required under previous GAAP:

- Fair valuation of financial instruments carried at FVPL and/or FVOCI;
- Impairment of financial assets based on expected credit loss model;
- Determination of the discounted value for financial instruments carried at amortised cost;
- Impairment of in-house product development costs and acquired in-process product development costs.

(2) De-recognition of financial assets and liabilities

IFRS 1 requires a first-time adopter to apply the de-recognition provisions of IFRS 9 “Financial Instruments” prospectively for transactions occurring on or after the date of transition to IFRS. However, IFRS allows a first-time adopter to apply the de-recognition requirements in IFRS 9 retrospectively from a date of the entity’s choice, provided that the information needed to apply IFRS 9 to financial assets and financial liabilities de-recognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of IFRS 9 prospectively from the date of transition to IFRS.

(3) Classification and measurement of financial assets

IFRS 1 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively, except where the same is impracticable.

Note 37 (B): Reconciliation of equity as reported under previous GAAP to IFRS

[illegible]

Jubilant Pharma Limited
Notes to the consolidated financial statements
(All amounts in USD, unless otherwise stated)

		As at April 01, 2014			As at March 31, 2015			As at March 31, 2016		
		Previous GAAP*	GAAP adjustments	IFRS	Previous GAAP*	GAAP adjustments	IFRS	Previous GAAP*	GAAP adjustments	IFRS
EQUITY AND LIABILITIES										
Equity										
Equity share capital		326,758,994	-	326,758,994	326,758,994	-	326,758,994	326,758,994	-	326,758,994
Merger reserve		206,373,363	-	206,373,363	(68,787,724)	-	(68,787,724)	(68,787,724)	-	(68,787,724)
Non-controlling interests		23,215,749	794,329	24,010,078	-	-	-	-	-	-
Total equity		465,846,360	82,746,366	548,592,726	152,753,843	86,364,936	239,118,779	199,257,812	83,175,614	282,433,426
LIABILITIES										
Loans and borrowings		9,305	-	9,305	104,788,249	-	104,788,249	152,584,165	-	152,584,165
Employee benefits		1,885,641	-	1,885,641	2,748,293	-	2,748,293	2,686,057	-	2,686,057
Other financial liabilities		5,846,962	-	5,846,962	5,600,000	-	5,600,000	10,700,000	-	10,700,000
Deferred tax liabilities (net)	(1)	2,665,253	3,769,178	6,434,431	708,402	9,278,174	9,986,576	6,320,763	14,295,662	20,616,425
Other non-current liabilities		-	-	-	1,313,684	-	1,313,684	1,693,615	-	1,693,615
Total non-current liabilities		10,407,161	3,769,178	14,176,339	115,158,628	9,278,174	124,436,802	173,984,600	14,295,662	188,280,262
Current liabilities										
Loans and borrowings		150,459,384	-	150,459,384	285,871,005	-	285,871,005	244,617,443	-	244,617,443
Employee benefits		10,186,678	-	10,186,678	8,058,606	-	8,058,606	11,032,298	-	11,032,298
Trade payables		47,674,597	-	47,674,597	44,675,773	-	44,675,773	50,197,883	-	50,197,883
Other financial liabilities		2,447,597	-	2,447,597	79,385,541	-	79,385,541	8,956,134	-	8,956,134
Income tax liabilities		718,605	-	718,605	698,148	-	698,148	19,076,174	-	19,076,174
Other current liabilities		11,882,465	-	11,882,465	7,511,556	-	7,511,556	7,713,207	-	7,713,207
Total current liabilities		223,369,326	-	223,369,326	426,200,629	-	426,200,629	341,593,139	-	341,593,139
Total liabilities		233,776,487	3,769,178	237,545,665	541,359,257	9,278,174	550,637,431	515,577,739	14,295,662	529,873,401
Total equity and liabilities		699,622,847	86,515,544	786,138,391	694,113,100	95,643,110	789,756,210	714,835,551	97,471,276	812,306,827

* The previous GAAP figures have been recasted after giving effect of retrospective transfer of two subsidiaries consummated in the year ended March 31, 2017 (refer note 3) and also reclassified to conform to IFRS presentation requirements for the purposes of this note.

The Statement of Financial Position of these transferred subsidiaries as at April 01, 2014, March 31, 2015 and March 31, 2016 as per IFRS presentation requirement is set out below.

	As at April, 01 2014	As at 31-Mar-15	As at March 31, 2016
ASSETS			
Non-current assets			
Property, plant and equipment	13,329	28,872	21,868
Other financial assets	23,994	15,860	19,099
Income tax assets	202,309	-	-
Total non-current assets	239,632	44,732	40,967
Current assets			
Inventories	5,686,135	4,033,549	1,672,172
Trade receivables	4,144,261	2,100,150	1,692,478
Other financial assets	11,616,753	6,616,688	3,038,283
Cash and cash equivalents	2,914,268	2,030,534	1,888,543
Other current assets	576,728	818,509	596,501
Total current assets	24,938,145	15,599,430	8,887,977
Total assets	25,177,777	15,644,162	8,928,944
EQUITY AND LIABILITIES			
Equity			
Equity share capital	306,927	306,927	306,927
Retained earnings	5,307,951	3,275,882	2,902,683
Other components of equity	-	250,521	920,160
Equity attributable to owners of the Company	5,614,878	3,833,330	4,129,770
Total equity	5,614,878	3,833,330	4,129,770
LIABILITIES			
Current liabilities			
Trade payables	19,097,051	11,764,842	4,787,939
Other financial liabilities	-	13,605	-
Income tax liabilities	329,210	9,300	-
Other current liabilities	136,638	23,085	11,235
Total current liabilities	19,562,899	11,810,832	4,799,174
Total liabilities	19,562,899	11,810,832	4,799,174
Total equity and liabilities	25,177,777	15,644,162	8,928,944

Note 37 (C): Reconciliation of Consolidated Statement of Profit or Loss and Other Comprehensive Income under previous GAAP to IFRS

	Notes	For the year ended March 31, 2015			For the year ended March 31, 2016		
		Previous GAAP*	GAAP adjustments	IFRS	Previous GAAP*	GAAP adjustments	IFRS
Revenue from operations	(2)	414,489,479	-	414,489,479	438,108,871	-	438,108,871
Other income		4,668,233	1,589,758	6,257,991	2,605,948	(1,589,758)	1,016,190
Total income		419,157,712	1,589,758	420,747,470	440,714,819	(1,589,758)	439,125,061
Total expense	(1,3)	383,219,785	(8,879,948)	374,339,837	346,180,630	(650,374)	345,530,256
Result from operating activities		35,937,927	10,469,706	46,407,633	94,534,189	(939,384)	93,594,805
Finance income	(1)	157,440	-	157,440	72,621	-	72,621
Finance costs		30,646,766	(3,405,065)	27,241,701	27,987,556	(4,823,162)	23,164,394
Net finance costs		(30,489,326)	3,405,065	(27,084,261)	(27,914,935)	4,823,162	(23,091,773)
Profit before tax		5,448,601	13,874,771	19,323,372	66,619,254	3,883,778	70,503,032
Income tax expense		(5,243,053)	4,306,888	(936,165)	17,533,586	3,899,264	21,432,850
Profit for the year		10,691,654	9,567,883	20,259,537	49,085,668	(15,486)	49,070,182

	Notes	For the year ended March 31, 2015			For the year ended March 31, 2016		
		Previous GAAP*	GAAP adjustments	IFRS	Previous GAAP*	GAAP adjustments	IFRS
Other comprehensive income/(loss)							
<i>Items that will be reclassified to profit or loss</i>							
Exchange differences on translation of foreign operations		(21,411,218)	(4,663,203)	(26,074,421)	(2,611,317)	(3,109,605)	(5,720,922)
<i>Items that will not be reclassified to profit or loss</i>							
Changes in fair value of investments which are classified at fair value through OCI	(1)	-	4,847,114	4,847,114	-	-	-
Remeasurements of defined benefit obligations	(3)	-	(269,868)	(269,868)	-	(100,661)	(100,661)

Jubilant Pharma Limited
Notes to the consolidated financial statements
(All amounts in USD, unless otherwise stated)

	Notes	For the year ended March 31, 2015			For the year ended March 31, 2016		
		Previous GAAP*	GAAP adjustments	IFRS	Previous GAAP*	GAAP adjustments	IFRS
Income tax relating to items that will not be reclassified to profit or loss	(3)	-	93,396	93,396	-	36,430	36,430
Other comprehensive income for the year, net of tax		(21,411,218)	7,439	(21,403,779)	(2,611,317)	(3,173,836)	(5,785,153)
Total comprehensive income for the year		(10,719,564)	9,575,322	(1,144,242)	46,474,351	(3,189,322)	43,285,029
Profit is attributable to:							
Equity holders of the Parent		7,793,823	9,567,883	17,361,706	49,085,668	(15,486)	49,070,182
Non-controlling interests		2,897,831	-	2,897,831	-	-	-
Other comprehensive income is attributable to:							
Equity holders of the Parent		(21,411,218)	7,439	(21,403,779)	(2,611,317)	(3,173,836)	(5,785,153)
Non-controlling interests		-	-	-	-	-	-
Total comprehensive income is attributable to:							
Equity holders of the Parent		(13,617,395)	9,575,322	(4,042,073)	46,474,351	(3,189,322)	43,285,029
Non-controlling interests		2,897,831	-	2,897,831	-	-	-

* The previous GAAP figures have been recasted after giving effect of retrospective transfer of two subsidiaries consummated in the year ended March 31, 2017 (refer note 3) and also reclassified to conform to IFRS presentation requirements for the purposes of this note.

The Statement of Profit or loss and Other Comprehensive Income of these transferred subsidiaries for the year ended March 31, 2015 and March 31, 2016 as per IFRS presentation requirement is set out below:

	For the year ended March 31, 2015	For the year ended March 31, 2016
Revenue from operations	47,634,850	20,371,478
Other income	77,501	778
Total income	47,712,351	20,372,256
Purchase of stock-in-trade	43,950,469	15,787,119
Changes in inventory	1,706,617	2,322,062
Employee benefits expenses	1,307,159	1,100,422
Depreciation, amortisation and impairment	5,345	5,950
Other expenses	2,343,215	1,473,271
Result from operating activities	(1,600,454)	(316,568)
Finance income	21,874	7,577
Finance costs	453,489	64,208
Net finance costs	431,615	56,631
Loss for the year	(2,032,069)	(373,199)
Other comprehensive income/(loss)		
Items that will be reclassified to profit or loss		
Exchange differences on translation of foreign operations	250,521	669,639
Other comprehensive income for the year, net of tax	250,521	669,639
Total comprehensive income for the year	(1,781,548)	296,440

Note 37 (D): Equity reconciliation

	Notes	1 April 2014	31 March 2015	31 March 2016
Reported earlier under previous GAAP		465,846,360	152,753,843	199,257,812
Recognition of other intangible assets	(1)	95,333,397	100,023,026	102,070,227
Impact of fair value of investments	(2)	-	6,436,872	4,847,114
Tax adjustments (net)		(12,587,031)	(20,094,962)	(23,741,727)
Now Reported under IFRS		548,592,726	239,118,779	282,433,426

Notes:

(1) Recognition of product development cost as other intangible assets

Under IFRS, in-house product development costs and acquired in-process product development costs are permitted to be recognized as intangible asset subject to meeting certain criteria. Group has evaluated the criteria to be met for recognition of such development costs as other intangible asset (including other intangible assets under development). Under previous GAAP such development costs were expensed as incurred. In addition to this, consequential impact on finance costs and depreciation, amortization and impairment, and deferred tax has also been recorded in the respective periods.

(2) Fair valuation of investments

Under the previous GAAP, investments that do not have readily determinable fair values were carried at cost adjusted for other-than temporary impairment. Under IFRS, these investments are required to be measured at fair value at each reporting date. The resultant fair value changes with respect to investments in equity instruments designated as FVOCI have been recognized in the other comprehensive income for the year ended March 31, 2015 and March 31, 2016. Further, the resulting fair value changes with respect to investments in preference shares designated as FVPL have been recognised in the profit or loss for the year ended March 31, 2015.

(3) Re-measurements of post-employment benefit obligations

Under IFRS, re-measurements i.e. actuarial gains and losses and the return on plan assets on the net defined benefit obligations are recognised in other comprehensive income. Under previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the total expenses for the year ended March 31, 2015 and March 31, 2016 increased by 269,868 and 100,661, respectively. The consequential tax impact for the year ended March 31, 2015 and March 31, 2016 is 93,396 and 36,430 respectively. However, this does not impact the total equity.

(4) Other comprehensive income

Under IFRS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the other comprehensive income includes change in fair value of investments which are classified at FVOCI, re-measurements of defined benefit obligations and exchange differences on translation of foreign operations. The concept of other comprehensive income did not exist under previous GAAP.

Other than effect of certain reclassifications due to difference in presentation and the consequential impact of recognizing other intangible assets as fully explained in reconciliation above, there was no other material effect of cash flow from operating, investing and financing activities for all periods presented.

Note 38: Subsequent events

Subsequent to the year end, Jubilant Pharma Limited ("JPL"), through one of its wholly owned subsidiaries, signed an Asset Purchase Agreement with Triad Isotopes Inc. and its parent Isotope Holdings, Inc. ("Triad"), to acquire substantially all of the assets which comprise the radiopharmacy business of Triad. The closing of the transaction is subject to customary closing conditions, including contract, regulatory and other approvals. The acquisition will be funded through JPL's internal accruals.

The Group evaluated all events and transactions that occurred after March 31, 2017 up through July 14, 2017, the date the consolidated financial statements are issued. Based on the evaluation, the Group has determined that it is not aware of any other events or transactions that would require recognition or disclosure in these consolidated financial statements.