Jubilant Pharma Limited

Condensed Consolidated Statement of Financial Position

(All amounts in USD, unless otherwise stated)

	As at 30 September 2018	As at 31 March 2018
ASSETS		
Non-current assets		
Property, plant and equipment	274,233,408	278,365,913
Goodwill	167,075,796	168,634,149
Other intangible assets	110,228,306	117,320,360
Other financial assets	45,815,115	50,843,675
Income tax assets	1,279,304	1,422,997
Deferred tax assets (net)	22,943,761	25,759,953
Other non-current assets	5,960,004	4,763,262
Total non-current assets	**627,535,694**	**647,110,309**
Current assets		
Inventories	125,300,298	112,185,889
Trade receivables	95,499,286	105,941,967
Other financial assets	8,938,867	8,679,471
Income tax assets	-	910,651
Other current assets	30,376,055	23,213,426
Cash and cash equivalents	49,777,283	27,086,489
Total current assets	**309,891,789**	**278,017,893**
Total assets	**937,427,483**	**925,128,202**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	326,758,994	326,758,994
Merger reserve	(68,787,724)	(68,787,724)
Retained earnings	201,093,048	160,303,396
Foreign currency translation reserve	(52,160,311)	(22,222,177)
Other components of equity	(11,877,420)	(11,885,843)
Total equity	**395,026,587**	**384,166,646**
LIABILITIES		
Loans and borrowings	361,172,065	394,002,286
Employee benefits	3,274,425	3,808,701
Deferred tax liabilities (net)	19,616,718	16,693,790
Provisions	2,177,784	2,168,810
Other non-current liabilities	1,038,315	1,190,536
Total non-current liabilities	**387,279,307**	**417,864,123**
Current liabilities		
Loans and borrowings	13,232,733	14,489,963
Employee benefits	14,901,840	16,956,491
Trade payables	68,542,306	62,176,755
Other financial liabilities	47,769,706	11,488,868
Income tax liabilities	3,009,063	9,395,279
Other current liabilities	7,665,941	8,590,077
Total current liabilities	**155,121,589**	**123,097,433**
Total liabilities	**542,400,896**	**540,961,556**
Total equity and liabilities	**937,427,483**	**925,128,202**

The accompanying notes form an integral part of these condensed consolidated financial statements.

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

	Quarter ended 30 September 2018	Quarter ended 30 September 2017	Half year ended 30 September 2018	Half year ended 30 September 2017
Revenue from operations	189,638,630	132,844,138	366,110,829	257,977,469
Other income	(1,187,625)	145,513	1,326,963	523,331
Total income	**188,451,005**	**132,989,651**	**367,437,792**	**258,500,800**
Cost of materials consumed	48,414,024	31,554,829	100,397,520	60,909,025
Purchases of stock-in-trade	4,120,042	2,316,962	7,379,773	3,782,960
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(1,021,490)	380,711	(12,778,443)	(3,769,787)
Employee benefits expense	53,498,270	42,064,405	106,174,905	76,407,497
Depreciation and amortisation	9,582,458	8,688,769	19,436,170	16,701,949
Other expenses	34,112,541	28,005,762	66,087,394	52,115,588
Result from operating activities	**39,745,160**	**19,978,213**	**80,740,473**	**52,353,568**
Finance income	1,177,181	1,195,552	2,304,787	2,362,583
Finance costs	5,157,030	6,082,130	12,490,868	12,423,278
Net finance costs	**(3,979,849)**	**(4,886,578)**	**(10,186,081)**	**(10,060,695)**
Profit before tax	**35,765,311**	**15,091,635**	**70,554,392**	**42,292,873**
Income tax expense	10,576,392	3,792,325	21,595,740	12,839,462
Profit for the period	**25,188,919**	**11,299,310**	**48,958,652**	**29,453,411**
Other comprehensive income/(loss)				
Items that will be reclassified to profit or loss				
Exchange differences on translation of foreign operations	(9,400,148)	5,740,813	(29,938,134)	13,342,025
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit obligations	(101,339)	(63,223)	12,947	(124,935)
Income tax relating to items that will not be reclassified to profit or loss	35,412	21,880	(4,524)	43,237
Other comprehensive income for the period, net of tax	**(9,466,075)**	**5,699,470**	**(29,929,711)**	**13,260,327**
Total comprehensive income for the period	**15,722,844**	**16,998,780**	**19,028,941**	**42,713,738**

The accompanying notes form an integral part of these condensed consolidated financial statements.

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

	Attributable to owners of the Company						
	Equity share capital **	**Merger reserve #**	**Other capital reserve # #**	**Remeasurements of defined benefit obligations @@**	**Foreign currency translation reserve ^**	**Retained earnings**	**Total attributable to owners of the Company**
At 1 April 2017	**326,758,994**	**(68,787,724)**	**(11,441,561)**	**(397,738)**	**(29,087,576)**	**111,186,516**	**328,230,911**
Total comprehensive (loss)/income for the period							
Profit for the period	-	-	-	-	-	29,453,411	29,453,411
Other comprehensive (loss)/income for the period, net of tax	-	-	-	(81,698)	13,342,025	-	13,260,327
Total comprehensive (loss)/income for the period	-	-	-	**(81,698)**	**13,342,025**	**29,453,411**	**42,713,738**
At 30 September 2017	**326,758,994**	**(68,787,724)**	**(11,441,561)**	**(479,436)**	**(15,745,551)**	**140,639,927**	**370,944,649**
At 1 April 2018	**326,758,994**	**(68,787,724)**	**(11,441,561)**	**(444,282)**	**(22,222,177)**	**160,303,396**	**384,166,646**
Total comprehensive (loss)/income for the period							
Profit for the period	-	-	-	-	-	48,958,652	48,958,652
Other comprehensive (loss)/income for the period, net of tax	-	-	-	8,423	(29,938,134)	-	(29,929,711)
Total comprehensive (loss)/income for the period	**-**	**-**	**-**	**8,423**	**(29,938,134)**	**48,958,652**	**19,028,941**
Transactions with equity holders in their capacity as equity holders							
Dividend distribution to shareholders	-	-	-	-	-	(8,169,000)	(8,169,000)
Total comprehensive (loss)/income for the period	**-**	**-**	**-**	**8,423**	**(29,938,134)**	**40,789,652**	**10,859,941**
Balance as at 30 September 2018	**326,758,994**	**(68,787,724)**	**(11,441,561)**	**(435,859)**	**(52,160,311)**	**201,093,048**	**395,026,587**

** No. of shares as at 30 September 2018 and 31 March 2018 is 326,758,994. There is no change in the number of shares during the current quarter. All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share

\# Represents 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).

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

^ Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within the equity. The cumulative amount is reclassified to profit or loss when the Group 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.

The accompanying notes form an integral part of these condensed consolidated financial statements.

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

Particulars	**Half year ended 30 September 2018**	**Half year ended 30 September 2017**
A. Cash flow from operating activities		
Profit before tax	70,554,392	42,292,873
Adjustments for:		
Depreciation and amortization	19,436,170	16,701,949
Unrealised foreign exchange loss/(gain), net	133,470	(379,832)
Finance income	(2,304,787)	(2,362,583)
Finance costs	12,490,868	12,423,278
Gain on disposal of property, plant and equipment (net)	(288,658)	(50,064)
Operating cash flow before working capital changes	**100,021,455**	**68,625,621**
Decrease in trade receivable	7,907,042	32,113,509
Increase in other assets including other financial assets	(4,362,037)	(12,464,676)
(Increase)/decrease in inventories	(17,759,357)	1,046,711
Increase/(decrease) in trade payables	9,268,515	(3,877,841)
Decrease in other liabilities including other financial liabilities	(6,572,474)	(8,251,631)
Cash generated from operations	**88,503,144**	**77,191,693**
Income taxes paid (net of refund)	(22,821,745)	(19,846,701)
Net cash generated from operating activities	**65,681,399**	**57,344,992**
B. Cash flows from investing activities		
Acquisition of property, plant and equipment and other intangible assets	(25,134,343)	(27,316,763)
Proceeds from disposal of property, plant and equipment	676,843	551,903
Acquisition of business (refer note 10)	(1,462,353)	(20,143,369)
Loans given to related parties, net	-	(1,750,000)
Interest received	1,967,659	2,446,188
Others	(197)	-
Net cash used in investing activities	**(23,952,391)**	**(46,212,041)**
C. Cash flow from financing activities		
Proceeds from long term loans and borrowings ^	-	13,577,913
Repayment of long term loans and borrowings ^	(2,865,407)	(29,440,760)
Proceeds from/(repayments of) short term loans repayable on demand, net	1,002,243	2,450,182
Repayments of short term loans to related parties, net	(1,045,869)	(1,800,000)
Dividend paid	(8,169,000)	-
Finance costs paid	(7,798,867)	(8,478,926)
Net cash used in financing activities	**(18,876,900)**	**(23,691,591)**
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	**22,852,108**	**(12,558,640)**
D. Effect of exchange rate changes	(161,314)	989,392
Cash and cash equivalents at the beginning of the period	27,086,489	48,409,120
Cash and cash equivalents at the end of the period	**49,777,283**	**36,839,872**

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

The accompanying notes form an integral part of these condensed consolidated financial statements.

Note 1. Corporate Information

Jubilant Pharma Limited ("JPL, Singapore" or "the Company") is incorporated and domiciled in Singapore. The address of its registered office is 80 Robinson Road, #02-00 Singapore 068898. The address of its principal place of business is 6 Temasek Boulevard, #20-06 Suntec Tower Four, Singapore 038986.

Jubilant Life Sciences Limited ("Jubilant India") is the immediate and ultimate holding company of JPL, Singapore.

Jubilant Pharma Limited through its subsidiaries in United States, Canada, Europe, Asia and other geographies 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.

Note 2. Basis of accounting

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 March 2018 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

Note 3. Significant accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are same as those applied in the last annual financial statements.

Effective 1 April 2018, the Group adopted IFRS 15 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. There is no material effect on adoption of IFRS 15 on the condensed consolidated interim financial statements.

Effective 1 April 2018, the Group has adopted IFRS interpretation IFRIC 22 "Foreign Currency Transactions and Advance Consideration" which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

Note 4. Use of judgments and estimates

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2018.

Note 5. Recent accounting pronouncements

Standards issued but not adopted

IFRS 16, Leases

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions, including the Group's borrowing rate at 1 April 2019, the composition of the Group's lease portfolio at that date, the Group's latest assessment of whether it will exercise any lease renewal options and the extent to which the Group chooses to use practical expedients and recognition exemptions.

So far, the most significant impact identified is that the Group will recognise new assets and liabilities for its operating leases of warehouse and factory facilities. Under the new standard, remaining lease payments of the operating leases will be recognised at their present value discounted using appropriate discount rates.

In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

The Group does not expect the adoption of IFRS 16 to impact its ability to comply with the loan covenants.

i. Determining whether an arrangement contains a lease

   On transition to IFRS 16, the Group can choose whether to:
   – apply the IFRS 16 definition of a lease to all its contracts; or
   – apply a practical expedient and not reassess whether a contract is, or contains, a lease.

   The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 April 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

ii. Transition

   As a lessee, the Group can either apply the standard using a:
   – retrospective approach; or
   – modified retrospective approach with optional practical expedients.

   The lessee applies the election consistently to all of its leases.

The Group plans to apply IFRS 16 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

When applying the modified retrospective approach to leases previously classified as operating leases under IAS 17, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Group is assessing the potential impact of using these practical expedients.

IFRIC 23, Uncertainty over Income Tax treatments

On 7 June 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 recognise 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.

Annual improvements — 2015-2017 cycle

In December 2017, IASB has issued the Annual Improvements to IFRS Standards 2015–2017 Cycle, containing the following amendments to IFRSs. The amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted.

IAS 12, Income Taxes

An entity shall recognise the income tax consequences of dividends as defined in IFRS 9 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group is in the process of evaluating the impact of the amendment on its consolidated financial statements.

IAS 23, Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group is in the process of evaluating the impact of the amendments on its consolidated financial statements.

Note 6. Loans and borrowings (current and non-current)

	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Balance as at 31 March 2018					**408,492,249**
Additions					
- Finance lease obligations	USD	4%-5% p.a.	2021	2,166,214	2,166,214
- Increase in fair value of convertible debt instrument	USD	-	-	-	4,478,225
- Short term loans repayable on demand, net	INR	6%-9% p.a.	-	1,002,243	1,002,243
Repayments					
- Reclassification to other financial liabilities*	USD	-	-	-	(36,911,558)
- Repayment of convertible debt instrument	USD	-	-	(1,800,000)	(1,800,000)
- Short term loans from related parties, net	INR	7% p.a.	-	(1,045,869)	(1,045,869)
- Finance lease obligations	USD	4%-5% p.a.		(1,065,407)	(1,065,407)
Others					(911,299)
Balance as at 30 September 2018					**374,404,798**

* During the current quarter, the Group has agreed the appointed date of 12 September 2018 with IFC for conversion into equity shares with IPO date upto 31 March 2019. Further, based on the understanding, part of the loan amounting to 36,911,558 shall be settled through cash payment, accordingly the same has been classified under other financial liabilities as at the period end.

Note 7. Fair value measurements

			As at 30 September 2018			As at 31 March 2018		
	Note	Level of hierarchy	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets								
Trade receivables	(a)		-	-	95,499,286	-	-	105,941,967
Cash and cash equivalents	(a)		-	-	49,777,283	-	-	27,086,489
Other financial assets	(d),(e)	3	-	-	54,753,982	-	-	59,523,146
Total financial assets			**-**	**-**	**200,030,551**	**-**	**-**	**192,551,602**
Financial liabilities								
Loans and borrowings	(c),(e)	1,3	62,666,667	-	311,738,131	96,900,000	-	311,592,249
Trade payables	(a)		-	-	68,542,306	-	-	62,176,755
Employee benefits	(a),(b)		-	-	18,176,265	-	-	20,765,192
Other financial liabilities	(a)		-	-	47,769,706	-	-	11,488,868
Total financial liabilities			**62,666,667**	**-**	**446,226,408**	**96,900,000**	**-**	**406,023,064**

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values of loans and borrowings, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Loans and borrowings (convertible debt instrument)	*Discounted cash flows:* The valuation model considers the weighted present value of payments required to be made to the lender upon the occurrence or non-occurrence of specific events (i.e. Initial Public Offering, Private Equity Investment)	• Probabilities assigned to the occurrence of specific events each of which has a specified payout to the lender. • Adjusted discount rate Nil% (31 March 2018: 14%)	The estimated fair value would increase (decrease) if the probabilities assigned to the occurrence of an IPO were greater (lower); the adjusted discount rate was lower (higher)

Financial instruments not measured at fair value

The following table shows the valuation techniques and the significant unobservable inputs used in determination of fair value of the Level 3 financial instruments not measured at fair value:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Other financial assets (loan to related parties)	*Discounted cash flows:* The valuation model considers the present value of expected receipts discounted using an adjusted discount rate	Adjusted discount rate 9.71% (31 March 2018: 8.47%)	The estimated fair value would increase (decrease) if the adjusted discount rate was lower (higher)

Although the Group believes that its estimates of fair value are appropriate, the use of different assumptions could lead to different measurements of fair value. For fair value measurements of the convertible debt instrument, changing one or more of the assumptions used to reasonably possible alternative assumptions would reduce profit or loss by the following amounts:

	Impact on profit or loss
30 September 2018	
100% probability assigned to an IPO being achieved one year later	-
30 September 2017	
100% probability assigned to an IPO being achieved one year later	(7,557,485)

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 liabilities 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 30 September 2018	**As at 31 March 2018**
Bond	**1**	292,125,000	294,750,000
Other borrowings (including current maturities)*	**3**	77,403,425	111,951,024
Total		**369,528,425**	**406,701,024**

* 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.

	As at 30 September 2018	**As at 31 March 2018**
Opening balance	96,900,000	86,189,548
Loss recognised in profit or loss (included in finance costs)	4,478,225	10,710,452
Repayment	(1,800,000)	-
Reclassification to other financial liabilities	(36,911,558)	-
Closing balance	**62,666,667**	**96,900,000**

(d) Fair value of other financial assets is as below:

	Level	Fair value	
		As at 30 September 2018	**As at 31 March 2018**
Other financial assets *	**3**	53,348,991	59,570,047

* The fair value of other financial assets is based upon a discounted cash flow analysis that uses the aggregate cash flows from principal and finance income over the life of the asset and current market interest rates.

(e) There are no transfers between level 1, level 2 and level 3.

Note 8. Segment information

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. Hitherto, the Group presented “Pharmaceuticals” as one operating segment, however driven by market conditions and other business developments during the quarter ended 31 March 2018, the CODM decided to regularly review information at below mentioned segment levels. Accordingly, the Group has determined following reportable segment based on nature of its product and service and previous period figure have now been presented to conform to current period presentation:

- **Specialty Pharmaceuticals** comprising Radiopharmaceuticals (including radiopharmacies), Contract Manufacturing of Sterile Injectables and Non-Sterile products (CMO) and Allergy Therapy products; and

- **Generics and Active Pharmaceutical Ingredients (APIs)** comprising Solid Dosage Formulations and APIs.

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

Information about reportable segments

	Total segment revenue		Inter-segment revenue		Revenue from external customers	
	Quarter ended 30 September 2018	Quarter ended 30 September 2017	Quarter ended 30 September 2018	Quarter ended 30 September 2017	Quarter ended 30 September 2018	Quarter ended 30 September 2017
REVENUE						
Specialty Pharmaceuticals	130,246,107	82,326,268	-	-	130,246,107	82,326,268
Generics and APIs	59,473,523	50,558,870	81,000	41,000	59,392,523	50,517,870
Total	**189,719,630**	**132,885,138**	**81,000**	**41,000**	**189,638,630**	**132,844,138**

	Total segment revenue		Inter-segment revenue		Revenue from external customers	
	Half year ended 30 September 2018	Half year ended 30 September 2017	Half year ended 30 September 2018	Half year ended 30 September 2017	Half year ended 30 September 2018	Half year ended 30 September 2017
REVENUE						
Specialty Pharmaceuticals	252,208,196	155,088,128	-	-	252,208,196	155,088,128
Generics and APIs	114,024,633	102,971,341	122,000	82,000	113,902,633	102,889,341
Total	**366,232,829**	**258,059,469**	**122,000**	**82,000**	**366,110,829**	**257,977,469**

	Quarter ended 30 September 2018	Quarter ended 30 September 2017	Half year ended 30 September 2018	Half year ended 30 September 2017
RESULTS				
Specialty Pharmaceuticals	29,585,833	21,685,537	67,090,834	52,686,669
Generics and APIs	13,974,088	2,382,551	20,834,502	6,040,586
Segment total	43,559,921	24,068,088	87,925,336	58,727,255
Un-allocated corporate expenses (net of un-allocated income)	(3,814,761)	(4,089,875)	(7,184,863)	(6,373,687)
Finance income	1,177,181	1,195,552	2,304,787	2,362,583
Finance costs	(5,157,030)	(6,082,130)	(12,490,868)	(12,423,278)
Profit before tax	35,765,311	15,091,635	70,554,392	42,292,873
Income tax expense	(10,576,392)	(3,792,325)	(21,595,740)	(12,839,462)
Profit for the year	**25,188,919**	**11,299,310**	**48,958,652**	**29,453,411**

	Segment assets		Segment liabilities	
	As at 30 September 2018	As at 31 March 2018	As at 30 September 2018	As at 31 March 2018
Specialty Pharmaceuticals	475,662,293	466,128,888	50,881,320	52,293,557
Generics and APIs	383,900,465	402,942,945	46,642,734	46,351,984
Segment total	859,562,758	869,071,833	97,524,054	98,645,541
Un-allocated corporate assets/ liabilities	77,864,725	56,056,369	444,876,842	442,316,015
Total	**937,427,483**	**925,128,202**	**542,400,896**	**540,961,556**

Note 9. Income tax expense

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the condensed consolidated interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

Reconciliation between average effective tax rate and applicable tax rate for the quarter ended 30 September 2018 and 30 September 2017:

	Quarter ended 30 September 2018	Quarter ended 30 September 2017	Half year ended 30 September 2018	Half year ended 30 September 2017
Profit from continuing operations before income tax expense	35,765,311	15,091,635	70,554,392	42,292,873
Statutory tax rate	17%	17%	17%	17%
Tax at Singapore tax rate of 17%	6,080,103	2,565,579	11,994,247	7,189,789
Tax effect of amounts which are not deductible (taxable) in calculating taxable income				
Incremental allowance for research and development	(633,350)	(798,254)	(1,288,067)	(1,395,321)
Effect of prior year reassessments	(91,015)	(1,215,430)	(91,015)	(1,215,430)
Effect of state taxes	21,301	(16,837)	114,950	13,576
Tax rate difference	4,065,074	1,688,940	9,273,167	5,469,618
Non-deductible expenses*	1,134,279	1,568,327	1,592,458	2,777,230
	10,576,392	**3,792,325**	**21,595,740**	**12,839,462**

* Including effect of tax on exempt income and utilisation of deferred tax assets which was originally recognised through equity.

Note 10. Business combination

On 1 September 2017, subject to customary closing conditions, the Group, through Jubilant Draximage Radiopharmacies Inc. (a wholly owned step-down subsidiary), acquired through an Asset Purchase Agreement ("APA") substantially all of the assets comprising the Radiopharmacy Business and assumed only certain specific, related liabilities, from Triad Isotopes, Inc. ("Triad") for a purchase consideration of 21,605,722, including an increase of 1,181,364 pursuant to final settlement of working capital during the current period ("Business Combination"). The acquisition cost of 2,504,000 has been expensed as incurred and included as part of legal and professional expense within other expenses during the year ended 31 March 2018.

Triad operated one of the largest radiopharmacy network in the US with more than 50 pharmacies under its fold. This acquisition, forming part of Specialty Pharmaceuticals segment, is a strong strategic fit with our niche radiopharma business and will help us better directly serve healthcare providers and their patients with high quality radiopharma products.

The following table summarizes the recognised amount of assets acquired and liabilities assumed at the date of acquisition:

Particulars	**Fair value**
Property, plant and equipment	8,499,210
Other intangible assets	1,614,339
Inventories	4,774,213
Trade receivables	16,594,094
Other financial assets	4,212,043
Other assets	978,130
Loans and borrowings	(3,003,722)
Provisions	(2,158,863)
Trade payables	(17,616,382)
Employee benefits	(3,316,838)
Other liabilities	(344,336)
Net assets acquired	**10,231,888**
Goodwill	11,373,834
Total consideration paid in cash	**21,605,722**

Goodwill comprises value of acquired workforce and expected synergies arising from the acquisition. Goodwill is deductible for tax purposes.