

Jubilant Draximage Limited

Statutory Audit for the year ended

31 March 2015

B S R & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurgaon - 122 002, India

Telephone: + 91 124 2358 610
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Independent Auditor's Report

To the Members of **Jubilant Draximage Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Jubilant Draximage Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



We conducted our audit in accordance with the Standards on Auditing under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
 2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
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B S R & Co. LLP

- e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred, to the Investor Education and protection fund

For B S R & Co. LLP.

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022



Pravin Tulsyan

Partner

Membership No.: 108044

Place: Noida

Date: 30 April 2015

Annexure to the Auditor's report
(Referred to in our report of even date)


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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
2. (a) The inventory including stock lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

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

(c) The Company is maintaining proper records of inventory. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) (a) and (b) of the Order are not applicable.
4. In our opinion, and according to the information and explanations given to us, and having regard to the explanation that purchase of certain items of inventories for the Company's specialized requirements and similarly certain goods sold are for the specialized requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods. The operations of the company do not involve sale of services. In our opinion, and according to the information and explanations given to us, we have not been informed or observed any major weakness in the internal control system during the year.
5. The Company has not accepted any deposits from the public during the year.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the products manufactured/services rendered by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Value added tax, and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Wealth Tax, Service Tax, Duty of Customs and Duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Value added tax, and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.



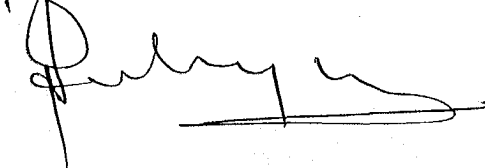
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- (b) According to the information and explanations given to us, there are no disputed dues of Income tax, Sales tax and Value added tax which have not been deposited with the appropriate authorities.
- (c) As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund.
8. The Company has accumulated losses which are in excess of fifty percent of the net worth of the Company at the end of the financial year. However, it has incurred cash losses in the financial year and in the immediately preceding financial year.
9. The Company did not have any outstanding dues to any financial institution, bank or debentureholders during the year.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
11. The Company did not have any term loans outstanding during the year.
12. According to the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration no.: 101248W/W-100022



Pravin Tulsyan

Partner

Membership no. : 108044

Place: Noida

Date: 30 April 2015

JUBILANT DRAXIMAGE LIMITED
Balance Sheet As at 31 March, 2015

(Rs '000)

	Note	As at 31 March 2015	As at 31 March 2014
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	781	781
Reserves and surplus	3	(30,734)	(26,892)
		(29,953)	(26,111)
Non-current liabilities			
Long-term borrowings	4	-	557
Long-term provisions	5	1,171	724
		1,171	1,281
Current liabilities			
Trade payables	6	49,527	45,766
Other current liabilities	7	2,262	2,593
Short-term provisions	8	144	60
		51,933	48,419
		23,151	23,589
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	160	1,048
Intangible assets	10	2	5
Long-term loans and advances	11	56	951
Other non-current assets	12	1,185	476
		1,403	2,480
Current assets			
Inventories	13	3,939	1,148
Trade receivables	14	11,290	10,431
Cash and bank balances	15	4,001	6,411
Short-term loans and advances	16	2,404	2,982
Other current assets	17	114	137
		21,748	21,109
		23,151	23,589
Summary of significant accounting policies	1A		
The accompanying notes referred to form an integral part of the financial statements			

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

Pravin Tulsyan

Partner

Membership No. 108044

Place: Noida

Date : 30 April 2015

For and on behalf of the Board of directors of
Jubilant DraxImage Limited

Arun Kumar Sharma
Director

Amit Arora
Director

JUBILANT DRAXIMAGE LIMITED

(Rs '000)

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

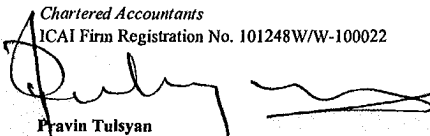
	Note	For the year ended 31 March 2015	For the year ended 31 March 2014
REVENUE			
Revenue from operations(net)	18	85,282	91,311
Other Operating Income		920	68
		86,202	91,379
Other income	19	249	173
Total Revenue		86,451	91,552
EXPENSES			
Purchase of stock-in-trade	20	65,762	69,625
Change in inventories of stock-in trade	21	(2,791)	1,397
Employee benefits expense	22	10,865	12,085
Finance costs	24	98	62
Depreciation and amortization expense	9 and 10	216	168
Other expenses	23	14,426	18,290
Total expenses		88,576	101,627
Loss before exceptional and extraordinary items and tax		(2,125)	(10,075)
Exceptional items	25	1,717	2,261
Loss before tax		(3,842)	(12,336)
Tax expenses		-	-
Loss for the year		(3,842)	(12,336)
Basic loss per share of Rs 10 each (in rupees)	36	(0.05)	(0.16)
Diluted loss per share of Rs 10 each (in rupees)	36	(0.05)	(0.16)
Summary of significant accounting policies	1A		
The accompanying notes referred to form an integral part of the financial statements			

As per our report of even date attached

 For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

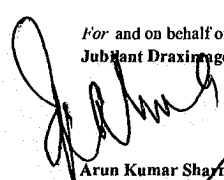

Pravin Tulsyan

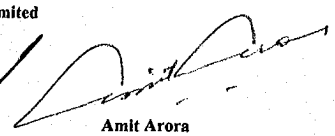
Partner

Membership No. 108044

Place: Noida

Date : 30 April 2015

 For and on behalf of the Board of directors of
Jubilant Draximage Limited

Arun Kumar Sharma
 Director


Amit Arora
 Director

Jubilant Draximage Limited
Cash Flow Statement for the year ended 31 March 2015
(Rs '000)

	For the year ended 31 March 2015	For the year ended 31 March 2014
A. Cash flow arising from operating activities :		
Net loss before tax	(3,842)	(12,336)
Adjustments for:		
Depreciation and amortisation	216	168
Gain on disposal of fixed assets	(59)	-
Finance cost	98	62
Provision for doubtful debts	-	1,226
Unrealised (gain)/loss on exchange	546	(972)
Interest income	(189)	(173)
	612	311
Operating loss before working capital changes	(3,230)	(12,025)
Adjustments for :		
(Increase) in trade and other receivables	(83)	(3,765)
(Increase)/Decrease in inventories	(2,791)	1,397
Increase in current liabilities and provisions	3,529	16,465
Cash (used in)/generated from operations	(2,575)	2,072
Direct taxes paid (net of refunds)	(12)	(7)
Net cash (used in)/ generated from operating activities	(2,587)	2,065
B. Cash flow arising from investing activities		
Purchase of fixed assets	(36)	(260)
Sale proceeds of fixed assets	771	-
Movement in other bank balances	674	(2)
Interest received	211	108
Net cash generated from / (used in) investing activities	1,620	(154)
C. Cash flow arising from financing activities		
Finance lease paid	(672)	-
Finance cost paid	(98)	(62)
Net cash (used in) financing activities	(770)	(62)
Net (increase) / decrease in cash and cash equivalents (A+B+C)	(1,737)	1,849
Add: cash and cash equivalents at the beginning of year	5,321	3,472
Cash and cash equivalents at the end of the year	3,584	5,321
Notes:		
1) Cash Flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 (AS-3)-" Cash Flow Statements".		
2) Purchase of fixed assets includes movement of capital work-in-progress during the year.		

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

(CAI Firm Registration No. 101248W/W-100022)

Pravin Tulsyan

Partner

Membership No. 108044

Place: Noida

Date : 30 April 2015

For and on behalf of the Board of directors of
Jubilant Draximage Limited

Arun Kumar Sharma

Director

Amit Arora

Director

JUBILANT DRAXIMAGE LIMITED

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

1. Corporate information

Jubilant Draximage Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956, a wholly owned subsidiary of Draximage Limited, a company incorporated in Cyprus which is a subsidiary of Jubilant Life Sciences Limited, a company incorporated in India through Jubilant Pharma Limited, Singapore.

The Company imports and sales radiopharmaceuticals products.

1A. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

A. Basis of preparation and presentation of financial statements

The accounts of the Company are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the other relevant provisions of the Companies Act, 2013 (including provisions of Companies Act, 1956 which continue to remain in force, to the extent applicable) and pronouncements of the Institute of Chartered Accountants of India. The financial statements are presented as per Schedule III to the Companies Act, 2013 and in Indian rupees rounded off to the nearest thousands.

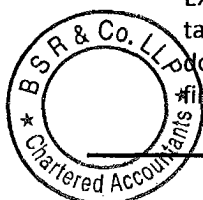
Previous year's figures have been regrouped/rearranged wherever considered necessary to conform to current year's classification.

B. Going concern

The Company was incorporated in the year 2009 and has been incurring losses. As a result the Company's net worth has been significantly eroded. Jubilant Life Sciences Limited, the ultimate holding Company, has expressed that it would continue to provide financial support to the Company. In view of committed support from the ultimate holding company, the management considers that it is appropriate to prepare these financial statement on going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. Accordingly, the assets and liabilities are recorded on the basis that the Company will be able to use or realize its assets at least at the recorded amounts and discharge its liabilities in the usual course of business.

C. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting periods. Examples of such estimate include future obligations under employee benefit plans, income taxes, useful lives of tangible assets and intangible assets, impairment of assets, provision for doubtful debts etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could vary from these



JUBILANT DRAXIMAGE LIMITED

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

estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Effect of material changes is disclosed in the notes to the financial statements.

D. Current–non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria in accordance with Schedule III to the Companies Act, 2013 set out below:

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

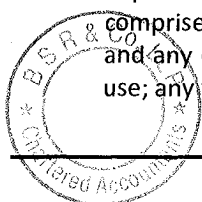
Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

E. Tangible and intangible fixed assets

Tangible fixed assets

Tangible fixed assets are stated at cost net of tax/duty credits availed, if any, less accumulated depreciation/amortization/impairment losses. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.



JUBILANT DRAXIMAGE LIMITED

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

Tangible fixed assets under construction are disclosed as capital work-in-progress.

Intangible fixed assets

Acquired intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any 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.

Expenditure for acquisition and implementation of software systems is recognised as part of the intangible assets.

F. Depreciation and amortisation

Upto 31 March 2014, depreciation was provided on straight line method at rates mentioned and in the manner specified in Schedule XIV to the Companies Act, 1956 (as amended), and read with statement as mentioned hereunder, on the original cost/ acquisition cost of assets or other amounts substituted for cost. Assets costing individually Rs 5,000 (in absolute amount) or less were fully depreciated in the year of purchase.

Depreciation was provided at the rates, mentioned in Schedule XIV to the Companies Act, 1956 read with Notification dated 16th December, 1993 issued by Department of Company Affairs, Government of India except for the following classes of fixed assets which are depreciated as under:

- a. Motor vehicles under finance lease: tenure of lease or five years whichever is shorter.
- b. Computer and information technology related assets: three to five years.
- c. Certain employee perquisite related assets: five years, being the period of the perquisite scheme.

During the current year, pursuant to the Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has revised depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, on the original cost/ acquisition cost of assets or other amounts substituted for cost, except for the following classes of fixed assets which are depreciated as under:

- a. Motor vehicles under finance lease: tenure of lease or five years whichever is shorter.
- b. Computer servers and networks: five years.
- c. Employee perquisite related assets (except end user computers): five years, being the period of the perquisite scheme.

The above useful lives arrived at, based on the internal technical assessment of the management, are currently reflective of the estimated useful lives of the fixed assets.

Depreciation/ amortization on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.



JUBILANT DRAXIMAGE LIMITED

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

Software systems are being amortised over a period of five years being their useful life.

G. Impairment of fixed assets

Fixed assets are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (Cash Generating Unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Impairment losses are recognised in the Statement of Profit and Loss.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. The impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

H. Leases

Finance leases

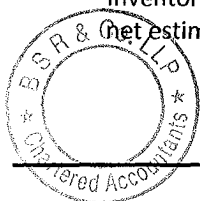
Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Lease payment is allocated between the liability and finance charges so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Operating leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease payments under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit.

I. Valuation of Inventories

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



JUBILANT DRAXIMAGE LIMITED

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

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

Finished goods (traded)	Cost of purchase
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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.

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

J. Income taxes

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws.

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the current year and reversal of timing differences for earlier years. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and are written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

K. Foreign currency conversions/translations

Foreign currency transactions are recorded into Indian rupees by applying to the foreign currency amount the exchange rate between Indian rupees and the foreign currency on/or closely approximating to the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated into Indian rupees at the closing exchange rates on that date. The resultant exchange differences are recognised in the Statement of Profit and Loss.

L. Provisions, contingent liabilities and contingent assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow



JUBILANT DRAXIMAGE LIMITED

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

of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

M. 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 contribution plans and defined benefit plans in line with the requirements of AS 15 on "Employee Benefits".

a. Gratuity

The liability in respect of Gratuity, a defined benefit plan, is recognised in the books of account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial gains and losses arising from the experience adjustment and change in actuarial assumption are immediately recognised in the Statement of Profit and Loss as an income or expense. The gratuity liability for certain employees of the Company is funded with Life Insurance Corporation of India.

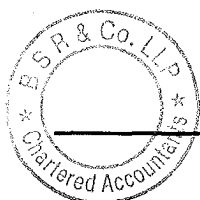
b. Provident fund

The Company deposits provident fund with Regional Provident Fund Commissioner. This is treated as defined contribution plan. Company's contribution to the provident fund is charged to Statement of Profit and Loss.

For part of the year, the Company has made contribution to the recognised provident fund - "VAM EMPLOYEES PROVIDENT FUND TRUST" for its employees, which is a defined benefit plan to the extent that the Company 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 Company's obligation in this regard was determined by an independent actuary and provided for if the circumstances indicated that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

(iii) Other long-term employee benefits:

Accumulated compensated absences are treated as other long-term employee benefits. The Company'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 Balance Sheet date by an independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.



JUBILANT DRAXIMAGE LIMITED

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

(iv) Termination benefits:

Termination benefits are recognised as an expense when, as a result of a past event, the Company 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.

N. Revenue recognition

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the products have been transferred to the buyer, recovery of the consideration is probable and the amount of revenue can be measured reliably. Revenues include excise duty and are shown net of sales tax and value added tax, if any.

Interest income

Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction.

O. Earnings per share

The basic earnings per share is calculated by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax during the year and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the year unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Anti dilutive effect of any potential equity shares is ignored in the calculation of earnings per share.



	As at 31 March 2015	As at 31 March 2014
2. SHARE CAPITAL		
Authorized		
200,000 equity shares of Rs 10 each	2,000	2,000
	2,000	2,000
Issued, subscribed and paid up		
78,086 equity shares of Rs 10 each	781	781
	781	781

Rights, Preferences and obligations attached to class of shares:

2.1) The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividends as declared from time to time. The voting rights of equity shareholders on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights can not be exercised in respect of shares on which any call or other sums presently payable have not been paid.

2.2) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.3) The details of shareholders holding more than 5% shares is set out below:

Name of the shareholder	As at 31 March 2015		As at 31 March 2014	
	Number of shares	% holding	Number of shares	% holding
Draximage Limited, Cyprus (holding company) (including 6 shares held by Draximage Limited, Cyprus jointly with 6 different individuals)	78,086	100%	78,086	100%

2.4) The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number of shares	Rs in thousands	Number of shares	Rs in thousands
Number of shares at the beginning	78,086	781	78,086	781
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	78,086	781	78,086	781

2.5) Shares held by holding company/ultimate holding company:

Name of the shareholder	As at 31 March 2015		As at 31 March 2014	
	Number of shares	Rs in thousands	Number of shares	Rs in thousands
Draximage Limited, Cyprus (holding company) *	78,080	781	78,080	781

* The term holding company may be construed as per AS-18

3. RESERVES AND SURPLUS		
Securities premium account		
At the commencement of the year	10,966	10,966
Add: Premium on shares issued during the year	-	-
At the end of the year	10,966	10,966
Deficit		
At the commencement of the year	(37,858)	(25,522)
Add: Net loss for the year	(3,842)	(12,336)
At the end of the year	(41,700)	(37,858)
	(30,734)	(26,892)



Jubilant Draximage Limited

(Rs '000)

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

	As at 31 March 2015	As at 31 March 2014
4. LONG TERM BORROWINGS		
Long-term maturities of finance lease obligation		
Finance lease obligations(secured) *	-	557
(For details refer note 28)		
*(Finance lease obligations were secured by hypothecation of specific vehicle taken on such lease).		
	-	557
The above amount includes		
Secured borrowings	-	557
	-	557
5. LONG TERM PROVISIONS		
Employee benefits	1,171	724
(For details refer note 30)		
	1,171	724
6. TRADE PAYABLES		
Trade payables*	49,527	45,766
* No amount is payable to micro, small and medium enterprises		
	49,527	45,766
7. OTHER CURRENT LIABILITIES		
Current maturities of finance lease obligation	-	115
Payable to employees	1,526	1,990
Statutory dues	736	488
	2,262	2,593
8. SHORT-TERM PROVISIONS		
Employee benefits	144	60
(For details refer note 30)		
	144	60



9. TANGIBLE ASSETS

(Rs '000)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Description	As at 1 April 2014	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2015	Upto 1 April 2014	Provided during the year	Deductions/ adjustments during the year	Upto 31 March 2015	As at 31 March 2015	As at 31 March 2014
Tangible Assets:										
Owned :										
Furniture and fixtures	381	36	148	269	88	56	32	112	157	293
Office equipments	126	-	111	15	30	10	28	12	3	96
Leased :										
Vehicles-leased	732	-	732	-	75	147	220	-	-	659
TOTAL	1,239	36	991	284	191	213	280	124	160	1,048
Previous Year	306	933	-	1,235	25	165	-	191	1,048	
Capital Work In Progress										
									160	1,048

10. INTANGIBLE ASSETS

(Rs '000)

	GROSS BLOCK				AMORTISATION				NET BLOCK	
Description	As at 1 April 2014	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2015	Upto 1 April 2014	Provided during the year	Deductions/ adjustments during the year	Upto 31 March 2015	As at 31 March 2015	As at 31 March 2014
Intangible Assets:										
Software	15	-	-	15	10	3	-	13	2	5
TOTAL	15	-	-	15	10	3	-	13	2	5
Previous Year	15	-	-	15	7	3	-	10	5	
									2	



Jubilant Draximage Limited
(Rs '000)
Notes to the financial statements for the year ended 31 March 2015

	As at 31 March 2015	As at 31 March 2014
11. LONG TERM LOANS AND ADVANCES (Unsecured, considered good)		
Security deposits	-	882
Advance payment of income tax (including TDS)	34	22
Loan to employees	22	47
	56	951
12 OTHER NON-CURRENT ASSETS (Unsecured, considered good)		
Non-Current bank balances*		
- Deposits with original maturity of more than 12 months	60	50
- Margin money deposit	1,125	426
*Rs 1,185 thousands (previous year Rs 476 thousands) has restricted use		
	1,185	476
13. INVENTORIES (Valued at the lower of cost and net realisable value)		
Stock-in-trade	3,939	1,148
	3,939	1,148



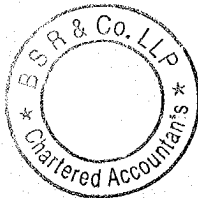
Notes to the financial statements for the year ended 31 March 2015

	As at 31 March 2015	As at 31 March 2014
14. TRADE RECEIVABLES		
Outstanding for period exceeding six months from the date they are due for payment		
Unsecured, considered good	34	-
Doubtful	1,426	1,426
	1,460	1,426
Allowance for doubtful receivables	1,426	1,426
(A)	34	-
Other receivables		
Unsecured, considered good	11,256	10,431
(B)	11,256	10,431
Total (A) + (B)	11,290	10,431
15. CASH AND BANK BALANCES		
Cash on hand	-	3
Bank balances		
Current accounts	3,584	5,111
Deposits with original maturity upto three months*	-	207
Other bank balances*:		
Deposits with original maturity of more than three months and upto twelve months	-	409
Balances with banks to the extent held as margin money	417	681
*Rs 417 thousands (previous year Rs 1,297 thousands) has restricted use		
	4,001	6,411
16. SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)		
Balances with excise authorities	636	1,372
Prepaid expenses	137	70
Earnest money deposit	90	15
Loans/advances given to employees	207	219
Supplier advance	1,334	1,306
	2,404	2,982
17. OTHER CURRENT ASSETS		
Interest accrued but not due	114	137
	114	137



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

	For the year ended 31 March 2015	For the year ended 31 March 2014
18. REVENUE FROM OPERATIONS		
Sales of products		
-Radiopharmaceutical products	85,282	91,311
Other operating income	920	68
Revenue from operations	86,202	91,379
19. OTHER INCOME		
Interest income (net)	189	173
Gain on sale of fixed assets (net)	60	-
	249	173
20. PURCHASE OF STOCK-IN-TRADE		
Radio pharmaceutical products	65,762	69,625
21. CHANGE IN INVENTORIES OF STOCK-IN-TRADE		
Stock at close-traded goods (Radiopharmaceutical products)	3,939	1,148
Stock at commencement -traded goods (Radiopharmaceutical products)	1,148	2,545
Increase/(decrease) during the year	2,791	(1,397)
22. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus, gratuity and allowances	10,055	11,284
Contribution to provident and superannuation fund	491	532
Staff welfare expenses	319	269
	10,865	12,085



Jubilant Draximage Limited
(Rs '000)
Notes to the financial statements for the year ended 31 March 2015

	For the year ended 31 March 2015	For the year ended 31 March 2014
23. OTHER EXPENSES		
Packing materials consumed	111	-
Rent (refer note 28)	1,404	1,982
Rates and taxes	31	355
Insurance	62	112
Advertisement, publicity and sales promotion	1,588	2,701
Traveling and other incidental expenses	2,779	2,935
Office maintenance	216	243
Vehicle running and maintenance	156	116
Printing and stationery	107	54
Communication expenses	258	231
Staff recruitment and training	114	924
Auditors Remuneration	56	56
- As Statutory auditors		
- For tax audit	62	28
- For certification*	57	37
Legal, professional and consultancy charges	2,270	753
Freight, forwarding and clearing charges	3,878	4,484
Miscellaneous expenses	8	53
Subscription	20	-
Bank charges	205	111
Discounts and claims to customer and other selling expenses	32	721
Commission on sales	1,012	1,117
Bad debts written off	-	51
Provision for doubtful debts	-	1,226
(*previous year amount represents fees paid to erstwhile auditors)	14,426	18,290
24. FINANCE COST		
Interest expense	98	62
	98	62
25. EXCEPTIONAL ITEMS		
Foreign exchange loss	1,717	2,261
	1,717	2,261



JUBILANT DRAXIMAGE LIMITED**Notes to the financial statements for the year ended 31 March 2015****26. Commitments**

For lease commitment note 28.

27. Contingent liabilities to the extent not provided for:

Outstanding guarantees furnished by Banks on behalf of the Company/by the Company are Rs. 1406 thousands* (Previous year Rs.1,008 thousands).

*Includes guarantees for 672 thousands, which have expired as on 31 March, 2015 and we are in process of getting these released from the customers.

28. Leases:**Finance lease:**

The Company had taken vehicles under finance lease, which was terminated during the current year. Future minimum lease payments and their present values under finance leases as at 31 March, 2015 are as follows:

(Rs '000)

	Minimum lease payments		Present value of minimum lease payments		Future interest	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
Not later than one year	-	208	-	115	-	93
Later than one year but not later than five years	-	717	-	557	-	160

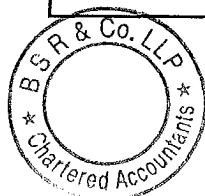
Operating lease:

The Company's significant operating lease arrangement is in respect of its official premises. This lease agreement has expired during the year. The aggregate lease rentals paid are charged as expenses and the total amount for the year is Rs. 1,404 thousands (previous year Rs. 1,982 thousands).

29. Foreign currency exposure not hedged by derivative instrument:

(Amount in '000)

Details	Currency	As at 31 March 2015			As at 31 March 2014		
		Amount in Foreign Currency	Exchange rate	Equivalent INR	Amount in Foreign Currency	Exchange rate	Equivalent INR
Amount receivable on account of sale of goods	USD	-	62.50	-	6	59.91	360
Net amount payable on account of purchase of goods	USD	619	62.50	38,707	621	59.91	37,204
	EURO	10	67.19	661	7	82.68	579



JUBILANT DRAXIMAGE LIMITED**Notes to the financial statements for the year ended 31 March 2015**

30. Employee benefits has been calculated as under:

(A) Defined contribution plan

a. Provident fund*

During the year the Company has contributed following amounts to:

Description	(Rs '000)	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Employers contribution to provident fund	145	-
Employers contribution to employee's pension scheme 1995	96	58

*For part of the year, where provident fund is deposited with Government authorities i.e. Regional Provident Fund Commissioner.

(B) Defined benefit plans

i) Gratuity

In accordance with Accounting Standard 15(AS 15)-"Employee Benefits (Revised 2005)", an actuarial valuation has been carried out in respect of gratuity and compensated absences.

Actuarial assumptions are as follows:

a) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been agreed by the Company:

	For the year ended 31 March 2015	For the year ended 31 March 2014
i) Discounting rate	9.40	9.40
ii) Future salary increase	10% for first 3 years and 6% thereafter	10% for first 3 years and 6% thereafter
iii) Expected rate of return on plan assets	-	-



JUBILANT DRAXIMAGE LIMITED**Notes to the financial statements for the year ended 31 March 2015****b) Demographic assumption**

	For the year ended 31 March 2015	For the year ended 31 March 2014
i) Retirement age (years)	58	58
ii) Mortality table	IALM (2006-08)	
ii) Ages	Withdrawal rate (%)	Withdrawal rate (%)
Up to 30 Years	13.00	10.00
From 31 to 44 years	11.00	5.00
Above 44 years	0.00	0.00

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

(Rs '000)

Description	Gratuity	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Present value of obligation at the beginning of the year	289	126
Less: adjustment on account of scheme of amalgamation & demerger(net)	-	-
Current service cost	158	141
Interest cost	27	10
Actuarial (gain)/loss	177	32
Benefits paid	(132)	(20)
Present value of obligation at the end of the year	519	289

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

(Rs '000)

Description	Gratuity	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Present value of obligation at the end of the year	519	289
Fair value of plan assets at period end	-	-
Assets/(liabilities) recognised in the Balance Sheet	(519)	(289)



JUBILANT DRAXIMAGE LIMITED**Notes to the financial statements for the year ended 31 March 2015**

Cost recognised for the period (included under Salaries, Wages, Allowances, Bonus and Gratuity):
(Rs 000)

Description	Gratuity	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Current service cost	158	141
Interest cost	27	10
Actuarial (gain)/loss	177	32
Net cost recognised during the year	362	183

Experience adjustments for the current and previous four periods:

(Rs '000)

	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Defined benefit obligation	519	289	126	209	86
Plan assets			-	-	-
Surplus/(deficit)	(519)	(289)	(126)	(209)	(86)
Experience adjustment of plan liabilities-(loss)/gain	(48)	(15)	(25)	(15)	(35)
Experience adjustment on plan assets-(loss)/gain	-	-	-	-	-

ii) Other long term benefits

(Rs '000)

	For the year ended 31 March 2015	For the year ended 31 March 2014
Present value of obligation at the end of the year	796	494

iii) Provident fund

The Guidance on implementation of AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving provident funds, which require interest shortfall to be compensated, are to be considered as defined benefit plans. The actuary has worked out liability of Rs Nil (Previous Year Rs Nil) likely to arise towards interest guarantee. Accordingly Rs Nil has been charged (Previous year Rs 9 thousands was reversed) to Statement of Profit and Loss during the year. The Company has contributed Rs 229 thousands to the Provident fund (Previous year Rs 475 thousands) for the year.



JUBILANT DRAXIMAGE LIMITED

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

31. Segment information

Based on the guiding principles given in the Accounting Standard on 'Segment Reporting' (AS -17) the Company is of opinion that its primary business segment is in the business of trading of radiopharmaceutical products. As the Company's business activity falls within a single primary segment, the disclosure requirements of the said AS-17 in this regard are not applicable.

32. Related party disclosures**Related parties where control exists:**

- (a) Ultimate Holding Company: Jubilant Life Sciences Limited
- (b) Intermediate Holding Company: Jubilant Pharma Limited, Singapore
- (c) Holding Company: Draximage Limited, Cyprus
- (d) Fellow Subsidiaries: Jubilant Draximage Inc, Canada
- (e) Others: VAM Employees Provident Fund Trust
- (f) Key Management Personnel: M Ajith Kumar

Related parties with whom transactions have taken place during the year**(a) Ultimate holding company****Jubilant Life Sciences Limited**

(Rs '000)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Expenses recharged by JLS	647	141

b) Fellow subsidiary company:**Jubilant Draximage Inc, Canada (JDI)**

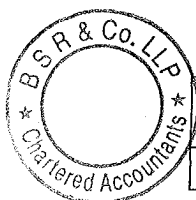
(Rs '000)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Purchases of goods	8,321	5,406
Expenses recharged by JDI	111	-

c) Others:**VAM Employees Provident Fund Trust (Trust)**

(Rs '000)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Contribution to Trust	229	475



JUBILANT DRAXIMAGE LIMITED**Notes to the financial statements for the year ended 31 March 2015**

Outstanding balances at year end in respect of Ultimate Holding Company and Fellow Subsidiaries:

Ultimate holding company**Jubilant Life Sciences Limited, India (JLSL)**

(Rs '000)

Particulars	As at 31 March 2015	As at 31 March 2014
Outstanding payable	7,093	6,447

Fellow subsidiary company**Jubilant Draximage Inc, Canada (JDI)**

(Rs '000)

Particulars	As at 31 March 2015	As at 31 March 2014
Outstanding payable	22,200	12,929

Others**VAM Employees Provident Fund Trust**

(Rs '000)

Particulars	As at 31 March 2015	As at 31 March 2014
Outstanding payable	-	91

d) Key management personnel :**M Ajith Kumar, Whole time director**

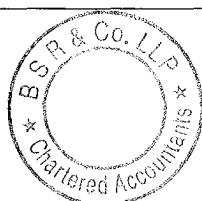
(Rs '000)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Salaries and bonus	2843	2062
Perquisites	58	34
Contribution to provident fund	153	106

33. Value of imports on C.I.F. basis during the year:

(Rs '000)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Purchases	55,454	59,178



JUBILANT DRAXIMAGE LIMITED**Notes to the financial statements for the year ended 31 March 2015****34. Expenditure in foreign currency (on accrual basis)**

(Rs '000)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Travel	146	149

35. Earnings in foreign currency

(Rs '000)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Sale of Radiopharmaceutical Products	2,235	2,379

36. Earnings per share

(Rs '000)


Particulars	For the Year ended 31 March 2015	For the Year ended 31 March 2014
Loss as per Statement of Profit and Loss	(3,842)	(12,336)
No. of equity shares	78,086	78,086
Basic and Diluted loss per share (Rs.)	(0.05)	(0.16)

37. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by its due date. The management is of the opinion that its domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

38. Previous year figures have been regrouped, rearranged / reclassified wherever necessary to make them comparable with those of the current year.

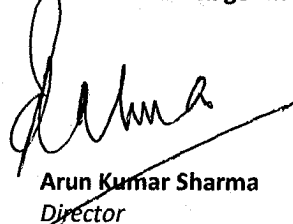
As per our report of even date attached

For **BSR & Co. LLP**
Chartered Accountants
CAI Firm Registration No. 101248W/W-100022



Pravin Tulsyan
Partner
Membership No. 108044

For and on behalf of the Board of directors of
Jubilant Draximage Limited



Arun Kumar Sharma
Director



Amit Arora
Director

Place: Noida
Date: 30 April 2015