Independent Auditor's Report

To the Members of Jubilant Draximage Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Indian Accounting Standard ('Ind AS') financial statements of Jubilant Draximage Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with the relevant rules issued thereunder.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Ind AS financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

(ii) 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 including other comprehensive income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

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

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

(i) the Company does not have any pending litigation which would impact its financial position;

(ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

(iv) The Company has provided requisite disclosures in the Ind AS financials statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures performed by us and relying on the management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management - Refer to note 29 to the Ind AS financial statements.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number.:101248W/W-100022

Pravin Tulsyan
Partner
Membership No: 108044

Place: Noida
Date: 22 May 2017

Annexure A to the Independent Auditor's Report to the Members of Jubilant Draximage Limited on the Ind AS financial statements for the year ended 31 March 2017,
we report that:

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company didn't own any immovable property. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.

(ii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company does not hold any inventory physical inventories. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not given any loans, or made any investments, or provided any guarantee, or security as specified under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act 2013, and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the activities carried out by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (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 employees' state insurance, income-tax, sales tax, duty of customs, value added tax, cess and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been slight delays in few cases of provident fund and service tax. As explained to us, the Company did not have any dues on account of 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, service tax, duty of customs, value added tax, cess and any other statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no disputed dues of income-tax, sales tax, service tax, duty of customs and value added tax which have not been deposited with the appropriate authorities.

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers or to any financial institutions. The Company did not have any loans or borrowings from government or dues to debenture holders during the year.

(ix) According to the information and explanations given to us, no term loan was taken by the company and has not raised any moneys by way of initial public offer or further public offer. Accordingly, paragraph 3(ix) of the Order is not applicable

(x) According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

(xi) Based on our examination of the books of accounts and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) Based on our examination of books of account and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements. As informed to us, requirements as stipulated by the provisions of section 177 of the Act are not applicable to the Company.

(xiv) Based on our examination of the books of account and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 22 May 2017

Annexure B to the Independent Auditor's Report of even date on the Ind AS financial statements Jubilant Draximage Limited

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

We have audited the internal financial controls over financial reporting of Jubilant Draximage Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the Indian Accounting Standard (Ind AS) financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **B S R & Co. LLP**
Chartered Accountants
Firm registration no.: 101248W/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 22 May 2017

Jubilant DraxImage Limited
Balance Sheet as at 31 March 2017

(INR in thousands)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	498	626	159
Other intangible assets	4	-	-	2
Financial assets				
i. Loans	5(b)	82	37	22
ii. Other financial assets	5(c)	159	149	1,185
Deferred tax assets (net)	7	618	118	-
Income tax asset (net)		-	17	34
Total non-current assets		**1,357**	**947**	**1,402**
Current assets				
Inventories	8	-	1,417	3,939
Financial assets				
i. Trade receivables	5(a)	21,302	10,584	11,290
ii. Cash and cash equivalents	5(d)	3,198	6,829	3,584
iii. Other bank balances	5(e)	2,401	2,801	417
iv. Loans	5(b)	-	181	-
v. Other financial assets	5(c)	245	212	204
Other current assets	9	3,809	2,561	2,314
Total current assets		**30,955**	**24,585**	**21,748**
Total assets		**32,312**	**25,532**	**23,150**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10(a)	781	781	781
Other equity	10(b), (c)	(26,463)	(29,701)	(30,735)
Total equity		**(25,682)**	**(28,920)**	**(29,954)**
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings	11(a)	97	236	-
Provisions	13	1,745	1,206	1,171
Total non-current liabilities		**1,842**	**1,442**	**1,171**
Current liabilities				
Financial liabilities				
i. Trade payables	11(b)	51,264	48,786	49,995
ii. Other financial liabilities	11(c)	1,050	2,156	1,058
Other current liabilities	12	3,178	1,838	736
Provisions	13	142	106	144
Current tax liabilities (net)		518	124	-
Total current liabilities		**56,151**	**53,010**	**51,933**
Total liabilities		**57,994**	**54,452**	**53,104**
Total equity and liabilities		**32,312**	**25,532**	**23,150**
Significant accounting policies	2			
Notes to the financial statement	3 – 32			

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number : 101248W/W100022

For and on behalf of Board of Directors **Jubilant DraxImage Limited**

Pravin Tulsyan
Partner
Membership No: 108044

Arun Kumar Sharma
Chairman
DIN:06991435

Shyamsunder Bang
Director
DIN:00011327

Place : Noida
Date : 22 May 2017

Place : Noida
Date : 22 May 2017

Place : Noida
Date : 22 May 2017

Jubilant DraxImage Limited
Statement of Profit and Loss for the year ended 31 March 2017

(INR in thousands)

	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations	14	1,12,831	99,040
Other income	15	136	193
Total income		1,12,967	99,233
Expenses			
Purchases of stock-in-trade		78,788	67,858
Changes in inventories of stock-in-trade	16	1,417	2,522
Employee benefits expense	17	13,340	11,970
Finance costs	18	64	86
Depreciation and amortization expense	19	222	121
Other expenses	20	15,469	15,607
Total expenses		1,09,300	98,164
Profit before tax		**3,667**	**1,069**
Tax expense			
- Current tax		500	118
- MAT credit entitlement		(500)	(118)
Total tax expense		-	-
Profit for the year		**3,667**	**1,069**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of defined benefit obligations		(429)	(54)
Income tax relating to these items that will not be reclassified to profit or loss		-	(19)
Other comprehensive income for the year, net of tax		**(429)**	(35)
Total comprehensive income for the year		**3,238**	**1,034**
Earnings per equity share of INR 10 each			
Basic (INR)		0.04	0.01
Diluted (INR)		0.04	0.01
Significant accounting policies	2		
Notes to the financial statement	3 - 32		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number : 101248W/W100022

For and on behalf of Board of Directors of **Jubilant DraxImage Limited**

Pravin Tulsyan
Partner
Membership No: 108044

Arun Kumar Sharma
Chairman
DIN: 06991435

Shyamsunder Bang
Director
DIN: 00011327

Place : Noida
Date : 22 May 2017

Place : Noida
Date : 22 May 2017

Place : Noida
Date : 22 May 2017

Jubilant DraxImage Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2017

(a) Equity share capital

	(INR in thousands)
Balance as at 1 April 2015	**781**
Changes in equity share capital during the year	**-**
Balance as at 31 March 2016	**781**
Changes in equity share capital during the year	**-**
Balance as at 31 March 2017	**781**

(b) Other Equity

(INR in thousands)

	Reserve and surplus			Other Comprehensive income	
	Capital reserve	**Securities premium reserve**	**Retained earnings**	**Other items of OCI**	**Total**
As at 1 April 2015	**130**	**10,966**	**(41,830)**	**-**	**(30,735)**
Profit for the year	-	-	1,069	-	1,069
Remeasurement of defined benefit liability/(asset), net of tax	-	-	-	(35)	(35)
Balance as at 31 March 2016	**130**	**10,966**	**(40,761)**	**(35)**	**(29,701)**
As at 1 April 2016	**130**	**10,966**	**(40,761)**	**(35)**	**(29,701)**
Profit for the year	-	-	3,667	-	3,667
Remeasurement of defined benefit liability/(asset), net of tax	-	-	-	(429)	(429)
As at 31 March 2017	**130**	**10,966**	**(37,094)**	**(465)**	**(26,463)**

Refer note 10(b) for nature and purpose of equity.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number : 101248W/W100022

Pravin Tulsyan
Partner
Membership No: 108044

Place : Noida
Date : 22 May 2017

For and on behalf of board of Directors of **Jubilant DraxImage Limited**

Arun Kumar Sharma
Chairman
DIN:06991435
Place : Noida
Date: 22 May 2017

Shyamsunder Bang
Director
DIN:00011327
Place : Noida
Date : 22 May 2017

(INR in thousands)

	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
A. Cash flow from operating activities			
Profit for the year		**3,238**	**1,034**
Adjustments :			
Depreciation and amortisation expense		222	121
Loss on sale of Property, plant & equipment		-	1
Finance costs		64	86
Unrealized foreign exchange (gain) / loss		(1,576)	1,061
Interest income		(136)	(193)
		1,812	**2,110**
Operating cash flow before working capital changes			
(Increase)/decrease in trade receivables, other financial assets and other assets		(11,909)	238
Decrease in inventories		1,417	2,522
Increase/(Decrease) in trade payables, provisions and other liabilities		4,839	(183)
Cash used in/ generated from operations		**(5,653)**	**2,577**
Income tax (paid)/ refund		(89)	17
Net cash generated /used in from operating activities		**(3,930)**	**4,704**
B. Cash flow from investing activities			
Acquisition/ purchase of PPE/ intangibles/ CWIP		(93)	(585)
Movement in other bank balances		390	(1,349)
Interest received		183	210
Net cash generated/used in from investing activities		**480**	**(1,724)**
C. Cash flow arising from financing activities			
Repayment/ (Proceeds) from long term borrowings		(117)	351
Finance costs paid		(64)	(86)
Net cash (used) in/generated from financing activities		**(181)**	**265**
Net decrease in cash and cash equivalents (A+B+C)		(3,631)	3,245
Add: cash and cash equivalents at the beginning of year		**6,829**	**3,584**
Cash and cash equivalents at the end of the year		**3,198**	**6,829**
Component of cash and cash equivalents			
Balances with banks:			
-On Current accounts		3,198	6,829
		3,198	**6,829**

Note : (i) Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS -7 - "Cash Flow Statement"
(ii) INR 625 thousand (31 March 2016 INR 1444 thousands) has restricted use.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number : 101248W/W100022

Pravin Tulsyan
Partner
Membership No: 108044

Place : Noida
Date : 22 May 2017

For and on behalf of Directors **Jubilant DraxImage Limited**

Arun Kumar Sharma
Chairman
DIN:06991435
Place: Noida
Date : 22 May 2017

Shyamsunder Bang
Director
DIN:00011327
Place : Noida
Date : 22 May 2017

Note 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 Jubilant Pharma Limited, Singapore, which is a subsidiary of Jubilant Life Sciences Limited, a company incorporated in India.

Upto Jan 2017, it was 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.

Note 2: Significant accounting policies

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

(a) Basis of preparation

(i) *Statement of compliance*

These Ind AS financial statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP), notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Ind AS. Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 55

(ii) *Historical cost convention*

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

(b) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- 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 Company 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 Company 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. The Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

(c) 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.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet 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

Intangible assets that are acquired are measured initially at cost, which includes capitalized finance costs. 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. Expenditure for acquisition and implementation of software systems is recognised as part of the intangible assets.

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

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

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of 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, except for the following classes of fixed assets which are depreciated based on the internal technical assessment of the management as under:

Category of assets	**Management estimate of useful life**	**Useful life as per Schedule II**
Motor Vehicles under finance lease	Tenure of lease or 5 years whichever is shorter	8 years
Computer servers and networks	5 years	6 years
Employee perquisite related assets (except end user computers)	5 years, being the period of perquisite scheme	10 years

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

The assets residual values and useful lives are reviewed, and adjusted If appropriate, at the end of each reporting period.

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

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 Statement of Profit and Loss.

(v) Transition to Ind AS

On transition to Ind AS, the Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as its deemed cost on the date of transition of Ind AS i.e, 1 April 2015.

(d) 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:

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.

(e) 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.

(f) Provisions

A provision is recognized if, as a result of a past event, the Company 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

(g) Revenue recognition

Revenue from sale of goods is recognized when the property in the goods, or all significant risks and rewards of ownership of the product 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 products as well as regarding its collections, Revenue include excise duty and are shown net of sales tax, value added tax, and applicable discount and allowances if any.

Revenue includes only those sales for which the Company 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 company has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Export incentive entitlements are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds, These are presented as other operating income in the Statement of Profit and Loss.

(h) 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 Company 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, is recognised in the books of accounts based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the Company is funded with Life Insurance Corporation of India.

b) Provident fund

(i) The Company 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 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 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) Company's contribution to the provident fund is charged to Statement of Profit and Loss.

(iii) Other long-term employee benefits:

Compensated absences

As per the Company'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 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

(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.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the 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 Balance Sheet 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 Statement of Changes in Equity and in the Balance Sheet. 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 Statement of Profit and Loss 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 Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced)

(i) Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized 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 that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

  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 realize the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax:**

  Deferred tax is recognized 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 investments in subsidiaries, associates and joint arrangements to the extent that the Company 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

  Deferred tax assets (DTA) 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 applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company 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 there is a legally enforceable right to set off the recognised amounts, and it is intended to relies the asset and settle the liability on a net basis or simultaneously.

(j) 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 Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company 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 company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss 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

(k) *Segment Reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Co-Chairman and Managing Director (CCMD) of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is 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.

(l) Foreign currency translation

(i) Functional and presentation currency

The functional currency of the Company in the Indian rupee. These financial statements are presented in Indian rupees.

(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 Balance Sheet date exchange rates are generally recognised in Statement of Profit and Loss.

(m) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note XX)

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

(n) 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 Company 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 Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

When measuring the fair value of an asset or a liability, the Company 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 Company 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.

(o) Critical estimates and judgements

The preparation of 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 financial statements is included in the following notes

- Assessment of useful life of property, plant and equipment and intangible asset –Note 3
- Estimation of assets and obligations relating to employee benefits- Note 27
- Lease classification- Note 28 (b)
- Fair value measurement- Note 2(n)
- Recognition and estimate of tax expense including deferred tax
- Estimated impairment of financials assets and non- financial assets
- Valuation of inventories

(p) Recent accounting pronouncements

Applicable standards issued but not yet effective

The amendment to Ind AS 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 balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements.

Note 3: Property, plant and equipment

Description	**Furniture and fixtures**	**Vehicles leased**	**Office equipment**	**Total**
Gross carrying amount				
Deemed cost as at 1 April 2015	157	-	3	160
Additions/adjustments	290	397	-	687
Deductions/adjustments	98	-	3	101
Gross carrying value as at 31 March 2016	**349**	**397**	**-**	**746**
Accumulated depreciation as at 1 April 2015	-	-	-	-
Depreciation charge for the year	70	49	-	119
Deductions/adjustments	-	-	-	-
Accumulated depreciation as at 31 March 2016	**70**	**49**	**-**	**119**
Net Carrying amount as at 31 March 2016	**279**	**348**	**-**	**627**

Description	**Furniture and fixtures**	**Vehicles leased**	**Office equipment**	**Total**
Gross carrying amount Balance as at 1 April 2016	349	397	-	746
Additions/adjustments	94	-	-	94
Gross carrying value as at 31 March 2017	**443**	**397**	**-**	**840**
Accumulated depreciation as at 1 April 2016	70	49	-	119
Depreciation charge for the year	90	132	-	222
Accumulated depreciation as at 31 March 2017	**160**	**181**	**-**	**341**
Net Carrying amount as at 31 March 2017	**283**	**216**	**-**	**499**
Net Carrying amount as at 31 March 2016	**279**	**348**	**-**	**627**

Note 4: Other intangible assets

Description	Software	Total
Gross carrying amount Deemed cost as at 1 April 2015	2	2
Gross carrying value as at 31 March 2016	**2**	**2**
Accumulated amortisation as at 1 April 2015		
Amortisation charge for the year	2	2
Accumulated amortisation as at 31 March 2016	**2**	**2**
Net Carrying amount as at 31 March 2016	**-**	**-**

Description	Software	Total
Gross carrying value as at 1 April 2016		
Balance as at 1 April 2016	2	2
Gross carrying value as at 31 March 2017	2	2
Accumulated amortisation as at 1 April 2016	2	2
Accumulated amortisation as at 31 March 2017	2	2
Net Carrying amount as at 31 March 2017	-	-
Net Carrying amount as at 31 March 2016	-	-

Note 5: Financial assets

Note 5(a): Trade receivables

(INR in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured and current			
Trade receivable	**22,830**	**10,584**	**12,716**
Less: Expected credit loss allowance	1,528	-	1,426
Total receivables	**21,302**	**10,584**	**11,290**

Refer note 23 for expected credit loss for trade receivable

Note 5(b): Loans

(INR in thousands)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non- current	Current	Non- current	Current	Non-
Unsecured, considered good unless otherwise stated						
Loan to employees	-	82	181	37	-	22
Total loans	-	82	181	37	-	22

Note 5(c): Other financial assets

(INR in thousands)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Non- current	Current	Non- current	Current	Non- current	Current
Deposits with maturity after 12 months from the reporting date	159	-	149	-	1,185	-
Interest receivable	-	50	-	97	-	114
Others	-	195	-	115	-	90
Total	159	245	149	212	1,185	204

Note 5 (d): Cash and cash equivalents

(INR in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with banks			
- in current accounts	3,198	6,829	3,584
Total cash and cash equivalents	**3,198**	**6,829**	**3,584**

Note 5 (e): Other bank balances

(INR in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deposits accounts with maturity up to twelve months from the reporting date	2,401	2,801	417
Total other bank balance	**2,401**	**2,801**	**417**

Note: Deposits for INR 625 thousands (31 March 2016 INR 1444 thousands; 31 March 2015 417 thousand) have restricted use.

Note 6: Income tax

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

Statement of profit and loss:

Profit or loss section

(INR in thousands)

	As at 31 March 2017	As at 31 March 2016
Current income tax:		
Current income tax charge	518	118
Adjustments in respect of current income tax of previous year	(18)	-
Deferred tax:	**500**	**118**
Deferred tax on profits for the year	-	-
Adjustments in respect of Deferred tax of previous year	-	-
	-	-
MAT Credit:		
MAT credit on profits for the year	(518)	(118)
Adjustments in respect of MAT credit of previous year	18	0
	(500)	**(118)**

Income tax expense reported in the statement of profit or loss	-	-

OCI section

Tax related to items that will not be reclassified to Profit & Loss:	0	0
Income tax charged to OCI		

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2016 and 31 March 2017:

(INR in thousands)

	As at 31 March 2017	As at 31 March 2016
Accounting profit before tax from continuing operations	3,238	1,034
Profit/(loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	**3,238**	**1,034**
At India's statutory income tax rate of 30.90% (31 March 2016: 30.90%)	1,000	336
-Effect of unrecognized deferred tax	(1,000)	(336)
Income tax expense reported in the statement of profit and loss	-	-

Note 7: Deferred tax

Deferred tax assets
The balance comprises temporary differences attributable to:

(INR in thousands)

	As at		
	31 March 2017	31 March 2016	1 April 2015
MAT Credit Entitlement	618	118	-
Others			
Deferred tax assets/(liabilities)	**618**	**118**	

The balance comprises temporary differences attributable to:

Reflected in the balance sheet as follows:

(INR in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred tax assets	618	118	-
Deferred tax liabilities:	-	-	-
Deferred tax asset, net	618	118	-

Reconciliation of deferred tax assets (net):

(INR in thousands)

	As at 31 March 2017	As at 31 March 2016
Opening balance as of 1 April	118	-
Tax income/(expense) during the period recognised in profit or loss	500	118
Tax income/(expense) during the period recognised in OCI	-	-
Closing balance as at 31 March	618	118

Movements in deferred tax assets:

	Provision for Compensated absences and gratuity	Expenditure allowed on actual payment basis	Accelerated depreciation for tax purposes	MAT Credit entitlement	Other items	Total
At 1 April 2015						
Charged/(credited)						
- to profit or loss	-	-	-	118	-	118
- to other comprehensive income	-	-	-	-	-	-
As at 31 March 2016	**-**	**-**	**-**	**118**	**-**	**118**
Charged/(credited)						
- to profit or loss	-	-	-	500	-	500
- to other comprehensive income	-	-	-	-	-	-
As at 31 March 2017	**-**	**-**	**-**	**618**	**-**	**618**

Note 8: Inventories

(INR in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Traded goods (including stock in trade)	-	1,417	3,939
Total inventories	**-**	**1,417**	**3,939**

Note 9: Other current assets

(INR in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with excise authorities	1,781	309	636
Advance to employee	214	295	182
Advance for supply of goods and services	1,652	1,657	1,245
Prepaid Expenses	162	151	137
Others	-	149	114
Total other current assets	**3,809**	**2,561**	**2,314**

Note 10: Equity share capital and other equity

Note 10(a): Equity share capital

(INR in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised			
200,000(31 March 2016 : 200,000; 1 April 2015 : 200,000) equity shares of INR 10 each	2,000	2,000	2,000
	2,000	**2,000**	**2,000**
Issued and subscribed			
78,086(31 March 2016 : 78,086; 1 April 2015 : 78,086) equity shares of INR 10 each	781	781	781
	781	**781**	**781**
Paid up			
78,086(31 March 2016 : 78,086; 1 April 2015 : 78,086) equity shares of INR 10 each	781	781	781
	781	**781**	**781**

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at 31 March 2017		As at 31 March 2016	
	Number	**INR in thousands**	**Number**	**INR in thousands**
At the commencement of the year	78,086	781	78,086	781
At the end of the year	78,086	781	78,086	781

Right, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of INR 10 each. Holder of each equity share is entitled to one vote per share. 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. The distribution will be in proportion to the number of equity shares held by the shareholders

Details of shareholders holding more than 5% shares in the company

Equity shares of INR 10 each fully paid-up held by	**As at 31 March 2017**		**As at 31 March 2016**		**As at 1 April 2015**	
	Number	**% of total shares**	**Number**	**% of total shares**	**Number**	**% of total shares**
DraxImage Limited, Cyprus (Holding Company) (Including 6 shares held by Draimage Limited, Cyprus jointly with 6 different Individuals)	-	-	78,086	100%	78,086	100%
Jubilant Pharma Limited, Singapore (Holding Company)	78,086	100%	-	-	-	-

Note 10(b): Other equity

(INR in thousands)

	As at 31 March 2017	**As at 31 March 2016**
(i) Capital reserve		
Opening balance	130	130
Closing balance	130	130
(ii) Securities premium account		
Opening balance	10,966	10,966
Closing balance	10,966	10,966
(iii) Retained earnings		
Opening balance	(40,761)	(41,830)
Profit for the year	3,667	1,069
Closing balance	(37,094)	(40,761)

Nature and purpose of other reserves

Capital reserve

Capital reserve represents accumulated capital surplus not available for distribution of dividend. The reserve is expected to remain invested permanently

Securities premium reserve

The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilized in accordance with the provisions of the Act.

Remeasurement of defined benefit obligation

Remeasurement of defined benefit liability (asset) comprises actuarial gain and losses and return on plant assets (excluding interest income).

Note 11: Financial liabilities

Note 11(a): Non-current borrowings

(INR in thousands)

	As at 31 March 2017	**As at 31 March 2016**	**As at 1 April 2015**
Long term maturity of Finance lease obligations (secured)	97	236	-
Total non-current borrowings	97	236	-
Non-current borrowings (as per balance sheet)	97	236	-

Finance lease obligation are secured by hypothecation of specified assets taken under such lease. The same are repayable within five years

Note 11(b): Trade payables

(INR in thousands)

	As at 31 March 2017	**As at 31 March 2016**	**As at 1 April 2015**
Trade payables to related parties (note 26)	34,485	35,108	29,294
Other trade payables	16,779	13,678	20,701
Total trade payables	**51,264**	**48,786**	**49,995**

11(c) Other financial liabilities

(INR in thousands)

	As at 31 March 2017	**As at 31 March 2016**	**As at 1 April 2015**
Current			
Current maturities of finance lease obligations	139	117	-
Employee benefits payable	911	2,039	1,058
Total other current financial liabilities	**1,050**	**2,156**	**1,058**

Note 12: Other current liabilities

(INR in thousands)

	As at 31 March 2017	**As at 31 March 2016**	**As at 1 April 2015**
Advances from customers	803	-	-
Statutory dues payables	2,376	1,838	736
Total other current liabilities	**3,178**	**1,838**	**736**

Note 13: Provisions

(INR in thousands)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**
Provision for employee benefits	142	1,745	106	1,206	144	1,171
Total provisions	**142**	**1,745**	**106**	**1,206**	**144**	**1,171**

Note 14: Revenue from operations

(INR in thousands)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Sale of products		
- Traded goods	1,09,786	96,959
Sale of services	1,405	1,698
Other operating revenue *	1,640	383
Total revenue from operations	**1,12,831**	**99,040**

* Other operating revenues is in the nature of special additional duty refund and gain on account of foreign exchange fluctuation.

Note 15: Other income

(INR in thousands)

Particulars	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Interest Income		136	193
Total other income		**136**	**193**

Note 16: Changes in inventories of work-in-progress, stock-in-trade and finished goods

(INR in thousands)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Opening balance		
Stock in trade	1,417	3,939
Closing balance		
Stock in trade	-	1,417
Total closing balance	-	1,417
Decrease in inventory	**1,417**	**2,522**

Note 17: Employee benefits expense

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, wages, bonus, gratuity and allowances	12,423	11,090
Contribution to provident fund, superannuation and other funds	607	542
Staff welfare expenses	310	338
Total employee benefit expense	**13,340**	**11,970**

Note 18: Finance costs

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Finance cost on finance lease obligation	64	86
Finance costs expensed in profit or loss	**64**	**86**

Note 19: Depreciation and amortisation expense

Particulars	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation of property, plant and equipment	3	222	119
Amortisation of intangible assets	4	-	2
Total depreciation and amortisation expense		**222**	**121**

Note 20: Other expenses

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Rates and taxes	191	43
Insurance	86	94
Advertisement, publicity and sales promotion	3,639	3,114
Travel and conveyance	4,511	3,791
Vehicle running and maintenance	215	41
Printing and stationery	44	55
Telephone and communication charges	320	248
Payments to auditors (refer note 20(a) below)	86	86
Legal and professional fees	1,440	950
Freight and forwarding	3,499	3,401
Subscription	-	17
Bank charges	134	129
Discounts and claims to customers and other selling expenses	147	6
Commission on sales	1,052	1,105
Foreign Exchange Loss	-	2,519
Provision of bad debts	102	-
Miscellaneous expenses	3	8
Total other expenses	**15,469**	**15,607**

Note 20(a): Details of Payments to auditors

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
As auditor:		
Statutory audit	57	57
Tax audit	29	29
Total payments to auditors	**86**	**86**

Note 21: Deferred tax

Particulars	31 March 2017	31 March 2016
Provision for compensated absences	486	373
Expenditure allowed on actual payment basis	187	248
MAT credit entitlement	618	118
Accumulated losses	7,271	10,377
Other	391	(93)
Deferred tax asset	**8953**	**11,023**
Deferred tax not recognised	6,335	10,905
Net deferred tax asset	**618**	**118**

Note 22: Fair value measurements

	Level of hierarchy	31 March 2017			31 March 2016			1 April 2015		
		FVPI	FVOCI	Amortised cost	FVPI	FVOCI	Amortised cost	FVPI	FVOCI	Amortised cost
Financial assets										
Trade receivables		-	-	21,302	-	-	10,584	-	-	11,290
Cash and cash equivalents		-	-	3,198	-	-	6,829	-	-	3,584
Other Bank Balances		-	-	2,401	-	-	2,801	-	-	417
Loans		-	-	82	-	-	218	-	-	22
Other Financial assets		-	-	404	-	-	361	-	-	1,389
Total financial assets		**-**	**-**	**27,387**	**-**	**-**	**20,793**	**-**	**-**	**16,702**
Financial liabilities										
Borrowings		-	-	97	-	-	236	-	-	-
Trade payables		-	-	51,264	-	-	48,787	-	-	49,995
Other Financial Liabilities		-	-	1,050	-	-	2,156	-	-	1,058
Total financial liabilities		**-**	**-**	**52,411**	**-**	**-**	**51,179**	**-**	**-**	**51,053**

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 and liabilities has not been disclosed as there is no significant differences between carrying value and fair value.

Note 23: Financial risk management

A. Financial risk management

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

- credit risk (see (C)(ii));
- liquidity risk (see (C)(iii)); and
- market risk (see (C) (iv)).

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The risk management framework is intended to ensure that risks are taken care with due diligence.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, 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 company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The company audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

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

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

Trade receivables and other financial assets

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company'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 an institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Expected credit loss for trade receivables:
The Company 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 considered low. The Company 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), excluding receivable from group companies is Nil (31 March 2016: Nil, 1 April 2015: Nil)

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

(INR in thousands)

	31 March 2017	31 March 2016
Balance at the beginning of the year	1,426	1,426
Add: Provided during the year (net of reversal)	102	-
Balance at the end of the year	1,528	1,426

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 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 balance sheet.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

The Company'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.

(INR in thousands)

		Contractual Cash flows		
31 March 2017	**Carrying Amount**	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Trade payables	36,310	36,310	7,896	28,414
Borrowings	97	97	97	-

(INR in thousands)

		Contractual Cash flows		
31 March 2016	**Carrying Amount**	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Trade payables	36,704	36,704	23,040	13,664
Borrowing	236	236	236	-

(INR in thousands)

		Contractual Cash flows		
1 April 2015	**Carrying Amount**	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Trade payables	39,368	39,368	24,132	15,236
Borrowings	-	-	-	-

iv. 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 Company'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 Company 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 Company. The functional currencies of company are primarily the INR. The currencies in which these transactions are primarily denominated are INR and US dollars.

Foreign Currency Risk

Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Company – primarily INR. In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows.

(INR in thousands)

	31 March 2017		31 March 2016		31 March 2015	
	USD	**EUR**	**USD**	**EUR**	**USD**	**EUR**
Trade payables	526	-	551	2	619	10
Net statement of financial position exposure	526	-	551	2	619	10
Net exposure	526	-	551	2	619	10

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar 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.

(INR in thousands)

	Profit or loss before tax	
	Strengthening	**Weakening**
31 March 2017		
USD (1% movement)	(5)	5
31 March 2016		
USD (1% movement)	(6)	6

Exposure to interest rate risk

The Company doesn't have floating rate borrowing hence doesn't expose to interest rate risk.

Note 24: Capital management

(a) Risk management

The company'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 company 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 company 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 balance sheet, including non-controlling interests).

The gearing ratios were as follows:

(INR in thousands)

Particulars	**31 March 2017**	**31 March 2016**	**1 April 2015**
Net debt	97	236	-
Total equity	(25,682)	(28,701)	(29,954)
Net debt to equity ratio	**0.00378**	**0.00816**	**-**

Note 25: Related Party Disclosures

1. **Ultimate Holding Company:**
Jubilant Life Sciences Limited

(INR in thousands)

Sr.No	**Particulars**	**31st Mar'17**	**31st Mar'16**	**1st Apr'15**
Description of Transactions:				
1.	**Reimbursement of Expenses:** Jubilant Life Sciences Ltd	1,295	-	-

2. **Holding Company:**
Jubilant Pharma Limited, Singapore

3. **Fellow Subsidiaries:**
Jubilant Draimage Inc, Canada

(INR in thousands)

Sr.No	**Particulars**	**31st Mar'17**	**31st Mar'16**	**1st Apr'15**
Description of Transactions:				
1.	**Purchase of Goods and Services:** Jubilant DraxImage Inc Canada	5,584	5,564	-
2.	**Commission received:** Jubilant DraxImage Inc Canada	1,350	1,395	-

4. Others:
VAM Employees Provident Fund Trust (Trust)

(INR in thousands)

Sr.No	Particulars	31st Mar'17	31st Mar'16	1st Apr'15
Description of Transactions:				
1.	**Amount Outstanding:** **Trade and other payables:** Jubilant Life Sciences Ltd	7,517	7,517	7,094
	Jubilant DraxImage Inc	26,967	27,591	22,200

Note 26. Employee Benefits in respect of the Company have been calculated as under:

(A) Defined Contribution Plans

a. Provident Fund

During the year the Company has contributed following amounts to: (INR in thousands)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Employers contribution to provident fund	421	372
Employers contribution to employee's pension scheme 1995	135	136

(B) Defined Benefit Plans

i. Gratuity

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The discount rate assumed is 7.50% p.a. (31 March 2016: 7.90 % p.a., 1 April 2015: 7.74 % p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years (31 March 2016: 58 years, 1 April 2015: 58 years) and mortality table is as per IALM (2006-08) (31 March 2016: IALM (2006-08), 1 April 2015: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three years and 6% p.a. thereafter (31 March 2016: 10% p.a. for first three years and 6% p.a. thereafter, 1 April 2015: 10% p.a. for first three years and 6% p.a. thereafter), 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 two units of the Company. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation: (INR in thousands)

Particulars	31 March 2017	31 March 2016	1 April 2015
Balance at the beginning of the year	698	465	289
Current service cost	184	176	158
Interest cost	037	040	027

Actuarial loss	430	054	177
Benefits paid	-418	-324	-132
Balance at the end of the year	698	465	519

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

(INR in thousands)

Particulars	31 March 2017	31 March 2016	1 April 2015
Present value of obligation at the end of the year	698	465	519
Fair value of plan assets at the end of the year	-	-	
Net liabilities recognized in the Balance Sheet	(698)	(465)	(519)

Expense recognised in profit or loss (included under Salaries, Wages, Allowances, Bonus and Gratuity):

(INR in thousands)

Particulars	31 March 2017	31 March 2016	1 April 2015
Current service cost	184	176	158
Interest cost	37	40	27
Actuarial (gain)/loss	429	54	177
Net cost recognized during the year	650	270	362

Amount recognized in the statement of other comprehensive income:

(INR in thousands)

Particulars	31 March 2017	31 March 2016
Actuarial (gain)/loss due to financial assumption change	(35)	-
Amount recognized in the statement of other comprehensive income	(35)	-

Company's best estimate of contribution during next year is INR 264.40 thousand (31 March 2016: INR 224.86 thousand)

Sensitivity analysis

(INR in thousands)

Particulars	**31 March 2017**		**31 March 2016**	
Assumptions	**Discount rate**		**Future salary increase**	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(29)	31	31	(30)

ii. 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 Nil thousands was reversed) to Statement of Profit and Loss during the year. The Company has contributed Rs NIL thousands to the Provident fund (Previous year Rs NIL thousands) for the year.

(A) Other long term benefits:

(INR in thousands)

Particulars	**31 March 2017**	**31 March 2016**	**1 April 2015**
Present value of obligation at the end of the year	1,188	848	796

Note 27: Commitments as at year end

a) Guarantees:

Outstanding guarantees furnished by bank is INR 540 thousand (31 March 2016: INR 1,359 thousands, 1 April 2015: INR 1,406 thousand).

b) Leases:

i) The Company's significant operating lease arrangements are in respect of premises (offices, godowns etc.). These lease agreement had expired during the previous year. The aggregate lease rentals payable are charged as expenses. Rental expense recognised under such leases is NIL (31 March 2016: NIL 1 April 2015: NIL).

ii) Asset acquired under finance lease:

The Company has taken vehicles under finance lease during the current year. Future minimum lease payments and their present values under finance lease as at 31 March 2017 are as follows:

(INR in thousands)

Particulars	**Minimum lease payments**		**Present value of minimum lease payments**		**Future interest**	
	As at 31 March 2017	**As at 31 March 2016**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2017**	**As at 31 March 2016**
Not later than one year	169	169	139	118	30	51
Later than one year but not later than five years	102	271	96	236	6	35

There is no element of contingent rent or sub lease payments. The Company 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 28: Earnings per share

(INR in thousands)

		Year ended 31 March 2017	Year ended 31 March 2016
Profit for the year, attributable to the equity holders		**3,238**	**1,033**
For basic and diluted earnings per share	Nos	**78,086**	**78,086**
Earnings per share (face value of INR 10 each)			
Basic (INR)	INR	**0.04**	**0.01**
Diluted (INR)	INR	**0.04**	**0.01**

Note 29: Disclosure on Specified Bank Notes

During the year, the company had Specified Bank Notes (SBN's) or other denomination notes as defined in the MCA notifications, G.S.R.308 (E), dated 31 March 2017. The details of SBN's held and transacted during the period from 8 Nov 2016 to 30 Dec 2016, the denomination-wise SBN's and other notes as per the notification are as follows:

(INR in thousands)

Particulars	SBNs (1)	Other denomination Notes	Total
Closing cash in hand as on 08 Nov 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30 Dec 2016			

(1) For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407 (E), dated 8 Nov 2016.

Note 30: Segment Reporting

Based on the guiding principles given in the Ind AS 108 on "Operating Segments", the Company is of opinion that its primary business segment is clinical research. As the Company's business activity falls within a single primary segment, the disclosure requirements of the said of Ind AS 108 in this regard are not applicable.

Note 31: The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation 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 is in the process of updating the documentation for the specified domestic transactions entered into with the specified persons and the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its specified domestic transactions and international 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.

Note 32: First-time adoption of Ind AS

Transition to Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

In preparing these financial statements, the company has applied the below mentioned optional exemption and mandatory exceptions.

A.1 Ind AS optional exemptions

A.1.1 Property, plant and equipment and intangible assets

Ind AS 101 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 financial statements as at the date of transition to Ind AS, 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 Ind AS 38 Intangible Assets.

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

A.2.2 Mandatory exceptions estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS 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.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

B: Reconciliations of equity as reported under previous GAAP and Ind AS

(INR in thousands)

	As at date of transition 1 April 2015			As at 31 March 2016		
	Previous GAAP *	**Effect of Transitions to Ind AS**	**Ind AS**	**Previous GAAP ***	**Effect of Transitions to Ind AS**	**Ind AS**
ASSETS						
Non-current assets						
Property, plant and equipment	160	-	160	627	-	627
Capital work-in-progress	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Other intangible assets	2	-	2	-	-	-
Intangible assets under development	-	-	-	-	-	-
Financial assets						
i. Investments	-	-	-	-	-	-
ii. Loans	22	-	22	37	-	37
iii. Other financial assets	1,185	-	1,185	149	-	149
Deferred tax assets (net)	-	-	-	118	-	118
Income tax asset (net)	34	-	34	17	-	17
Other non-current assets	-		-	-	-	-
Total non-current assets	**1,403**	**-**	**1,403**	**948**	**-**	**948**
Current assets						
Inventories	3,939	-	3,939	1,417	-	1,417
Financial assets						
i. Investments	-	-	-	-	-	-
ii. Trade receivables	11,290	-	11,290	10,584	-	10,584
iii. Cash and cash equivalents	3,584	-	3,584	6,829	-	6,829
iv. Bank balances other than (iii)	417	-	417	2,801	-	2,801
v. Loans	-	-	-	181	-	181
vi. Other financial assets	204	-	204	212	-	212
Income tax asset (net)	-	-	-	-	-	-
Other current assets	2,314	-	2,314	2,561	-	2,561
Total current assets	**21,748**	**-**	**21,748**	**24,585**	**-**	**24,585**
Total assets	**23,151**	**-**	**23,151**	**25,533**	**-**	**25,533**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of equity (continued)

(INR in thousands)

	Notes to first-time adoption	As at date of transition 1 April 2015			As at 31 March 2016		
		Previous GAAP *	Adjustments on Transitions to Ind AS	Ind AS	Previous GAAP *	Effcet ofransitions to Ind AS	Ind AS
EQUITY AND LIABILITIES							
Equity							
Equity share capital		781	-	781	781	-	781
Other equity		(30,734)	-	(30,734)	(29,700)	-	(29,700)
Equity attributable to equity holders of the Parent		(29,953)	-	(29,953)	(28,919)	-	(28,919)
Non-controlling interest		-	-	-	-	-	-
Total equity		(29,953)	-	(29,953)	(28,919)	-	(28,919)
LIABILITIES							
Non-current liabilities							
Financial Liabilities							
i. Borrowings		-	-	-	236	-	236
ii. Other financial liabilities		-	-	-	-	-	-
Provisions		1,171	-	1,171	1,206	-	1,206
Deferred tax liabilities (net)		-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-
Total non-current liabilities		**1,171**	-	**1,171**	**1,442**	-	**1,442**
Current liabilities							
Financial liabilities							
i. Borrowings		-	-	-	117	-	117
ii. Trade payables		49,527	-	49,527	48,460	-	48,460
iii. Other financial liabilities		1,526	-	1,526	2,365	-	2,365
Other current liabilities		736	-	736	1,838	-	1,838
Provisions		144	-	144	106	-	106
Current tax liabilities		-	-	-	124	-	124
Total current liabilities		**51,933**	-	**51,933**	**53,010**	-	**53,010**
Total liabilities		53,104	-	53,104	54,452	-	54,452
Total equity and liabilities		**23,151**	-	**23,151**	**25,533**	-	**25,533**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

Reconciliation of Statement of profit and loss as reported under previous GAAP to Ind AS

(INR in thousands)

		Year ended 31 March 2016		
	Notes	**Previous GAAP ***	**Adjustment on transition to Ind AS**	**Ind AS**
Revenue from operations		99,040		99,040
Other income		193		193
Total income		**99,233**	**-**	**99,233**
Expenses				
Purchases of stock in trade		67,858		67,858
Change in inventories of stock-in-trade and finished goods		2,522		2,522
Employee benefit expense		12,005	(35)	11,970
Depreciation and amortization expense		121		121
Other expenses		15,607		15,607
Finance costs		86		86
Total expenses		**98,199**	**(35)**	**98,163**
Profit before exceptional items and tax		**1,034**	**(35)**	**1,069**
Exceptional items		-		-
Profit before tax		1,034	-	1,069
Income tax expense				
- Current tax		118		118
- Deferred tax		-		-
- MAT		(118)		(118)
Total tax expense		**-**		**-**
Profit for the year		**1,034**	**-**	**1,069**
Other comprehensive income *Items that will not be reclassified to profit or loss*				
Remeasurement of defined benefit obligation	1	-		(35)
Other comprehensive income for the year, net of tax		**-**	**-**	**(35)**
Total comprehensive income for the year	2	**1,034**	**-**	**1,034**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Equity reconciliation

	As at 31 March 2016	As at 1 April 2015
Reported earlier under Previous GAAP	781	781
Adjustments	-	-
Now reported under Ind AS	781	781

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016

Other than effect of certain reclassifications due to difference in presentation, there was no other material effect of cash flow from operating, financing, investing activities for all periods presented

Note 1: Re-measurements of post-employment benefit obligations
Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets on the net defined benefit obligation are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the profit before tax for the year ended March 31, 2016 increased by INR 35 thousand. There is no impact on the total equity as at 1 April 2015 and 31 March 2016.

Note 2: Other comprehensive income
Under Ind AS, 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 statement of profit and loss as ‘other comprehensive income’ re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 3: Exceptional items
Exceptional items have been reclassified ti the respective headsto conform to the Ind AS classification.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number : 101248W/W100022

Pravin Tulsyan
Partner
Membership No: 108044

Place : Noida
Date : 22 May 2017

For and on behalf of Board of Directors **Jubilant DraxImage Limited**

Arun Kumar Sharma
Chairman
DIN: 06991435

Place : Noida
Date : 22 May 2017

Shyamsunder Bang
Director
DIN:00011327

Place : Noida
Date : 22 May 2017