Independent Auditor's Report

To the Members of
Jubilant Generics Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Jubilant Generics 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 controls 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

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

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss 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 Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

(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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 32 to the Ind AS financial statements;

(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; and

(iv) the Company has provided requisite disclosures in the Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed by us and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the management – Refer Note 33 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 I referred to in paragraph 1 of the Independent Auditor's Report to the Members of Jubilant Generics Limited on the accounts for the year ended 31 March 2017

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification have been properly dealt with in the books of account.

(c) According the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company.

(ii) The inventory, except materials-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business. For stocks lying with third parties at the year-end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) In our opinion and according to the information and explanations given to us, the Company has granted unsecured loan to holding company covered in the register maintained under section 189 of the Act. In respect of the aforesaid loan:

(a) The terms and conditions of the grant of such loan are not prejudicial to the Company's interest;

(b) the party was regular in payment of interest, which was payable six monthly. Principal is repayable after 5 years from the date of loan; and

(c) there is no amount overdue for more than ninety days.

According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to firms or other parties covered in the register maintained under section 189 of the Act. As informed to us, there are no limited liability partnerships covered in the register maintained under section 189 of the Act.

(iv) According to the information and explanations given to us and on the basis of our examination of records, the Company has not provided any guarantees or security to the parties covered under Section 185 and Section 186 of the Act. Further, the Company has complied with the provisions of Section 186 of the Act in respect of loan granted and investments made to the parties covered under Section 186.

(v) The Company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(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 provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

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, duty of excise, value added tax and other material 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) We confirm that there are no dues of income tax, sales tax, service tax, duty of excise, duty of customs and value added tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the Statute	Nature of the Dues	Amount involved* (Rs. in million)	Amount paid under protest (Rs. in million)	Financial year to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	3.63	-	2010-13	High court
		0.57	0.01	2011-13	Commissioner
		0.05	-	2011-12	Deputy Commissioner
		0.39	0.03	2013-14	Commissioner
		0.01	-	2013-14	Superintendent
Finance Act, 1994	Service Tax	20.99	0.79	2013-14	CESTAT
		1.86	-	2014-15	Deputy Commissioner
Customs Act, 1962	Customs Duty	0.08	0.08	2000-02	Deputy Commissioner
		21.72	21.72	2013-15	DGFT, Custom
		3.36	3.36	2013-15	DGFT, Custom

* amount as per demand orders including interest and penalty, wherever indicated in the order.

(viii) In our opinion and according the information and explanations given to us, the Company has not defaulted in repayment of any dues to its financial institutions, banks, government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, the money raised by way of term loans and debentures have been applied for the purposes for which they were raised. As informed to us, the Company has not raised any moneys by way of initial public offer or further public offer.

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

(xi) According to the information and explanations given to us, the Company has not paid any managerial remuneration during the year, accordingly the requirements as stipulated by the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable.

(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) According the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the Financial Statements, as required by Accounting Standard 18, Related Party Disclosure specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xiv) 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. Accordingly, the provision of paragraph 3(xvi) of the Order is not applicable.

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

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

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

We have audited the internal financial controls over financial reporting of Jubilant Generics Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the 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 controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 ICAI. 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 controls 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 controls 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 controls 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 controls 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 controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

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

Jubilant Generics Limited
Balance Sheet as at 31 March 2017

(INR in million)

	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	6,302.57	5,730.98	6,082.99
Capital work-in-progress	3	207.10	165.61	60.44
Goodwill	4	1,371.36	1,371.36	1,371.36
Other intangible assets	4	1,133.14	958.07	1,023.05
Intangible assets under development	4	3,494.06	2,883.58	2,723.10
Financial assets				
i. Investments	5(a)	4,055.00	4,055.00	4,055.00
ii. Loans	5(b)	3,286.30	37.87	36.94
Deferred tax assets (net)	6	784.14	-	-
Income tax asset (net)		6.15	6.13	3.79
Other non-current assets	7	33.78	2.96	11.78
Total non-current assets		**20,673.60**	**15,211.56**	**15,368.45**
Current assets				
Inventories	8	2,660.31	2,104.06	1,863.02
Financial assets				
i. Trade receivables	5(c)	2,189.76	2,316.06	2,082.08
ii. Cash and cash equivalents	5(d)	70.47	34.46	24.67
iii. Bank balances other than (ii)	5(e)	3.60	3.60	-
iv. Loans	5(b)	0.03	1.69	1.10
v. Other financial assets	5(f)	66.60	95.87	71.73
Other current assets	9	654.71	638.47	351.20
Total current assets		**5,645.48**	**5,194.21**	**4,393.80**
Total assets		**26,319.08**	**20,405.77**	**19,762.25**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10(a)	25.80	13.08	9.23
Other equity				
Equity component of compound financial instruments		-	1,970.39	1,970.39
Reserves & surplus		22,263.05	6,949.24	3,461.18
Total equity		**22,288.85**	**8,932.71**	**5,440.80**
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
i. Borrowings	11(a)	7.96	5,745.35	5,504.58
Provisions	13	204.93	173.13	165.30
Other non-current liabilities		96.95	115.04	86.07
Total non-current liabilities		**309.84**	**6,033.52**	**5,755.95**
Current liabilities				
Financial liabilities				
i. Borrowings	11(b)	816.26	2,497.74	1,439.71
iii. Trade payables	11(c)	2,057.87	1,620.92	1,206.24
iv. Other financial liabilities	11(d)	347.47	1,101.71	5,756.11
Other current liabilities	12	220.42	157.77	143.69
Provisions	13	29.45	13.66	19.75
Current tax liabilities (net)	14	248.92	47.74	-
Total current liabilities		**3,720.39**	**5,439.54**	**8,565.50**
Total liabilities		**4,030.23**	**11,473.06**	**14,321.45**
Total equity and liabilities		**26,319.08**	**20,405.77**	**19,762.25**
Significant accounting policies	2			
Notes to the financial statements	3-39			

The accompanying notes form an integral part of the financial statements

As per report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number : 101248W/W-100022

For and on behalf of Board of Directors
Jubilant Generics Limited

Pravin Tulsyan
Partner
Membership No: 108044

R. Sankaraiah
Director
DIN: 00025022

Gurpartap Singh Sachdeva
Director
DIN: 07288795

Place : Noida
Date : 22 May 2017

Amit Chaurasia
Company Secretary

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

(INR in million)

	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations	15	10,593.49	9,155.64
Other income	16	132.60	42.18
Total income		10,726.09	9,197.82
Expenses			
Cost of materials consumed	17	3,990.53	3,524.70
Purchases of stock-in-trade		108.59	30.38
Changes in inventories of finished goods, stock-in-trade and work-in-progress	18	(479.09)	(182.55)
Excise duty on sales		131.26	93.77
Employee benefits expense	19	1,418.13	1,215.58
Finance costs	20	427.35	769.74
Depreciation, amortisation and impairment expense	21	796.86	1,392.48
Other expenses	22	2,132.26	1,801.73
Total expenses		**8,525.89**	**8,645.83**
Profit before tax		**2,200.20**	**551.99**
Tax expense	23		
- Current tax		492.07	47.74
- MAT credit entitlement		(539.81)	-
- Deferred tax		(238.75)	-
Total tax expense		**(286.49)**	**47.74**
Profit for the year		**2,486.69**	**504.25**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit obligations		(16.11)	(6.73)
Income tax relating to these items	23	5.58	-
Other comprehensive income for the year, net of tax		**(10.53)**	**(6.73)**
Total comprehensive income for the year		**2,476.16**	**497.52**
Earning per equity share of INR 10 each			
Basic in (INR)		1,714.15	462.75
Diluted (INR)		1,276.44	462.75
Significant accounting policies	2		
Notes to the financial statements	3-39		

The accompanying notes form an integral part of the financial statements

As per report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number : 101248W/W-100022

For and on behalf of Board of Directors
Jubilant Generics Limited

Pravin Tulsyan
Partner
Membership No: 108044

R. Sankaraiah
Director
DIN: 00025022

Gurpartap Singh Sachdeva
Director
DIN: 07288795

Place : Noida
Date : 22 May 2017

Amit Chaurasia
Company Secretary

Jubilant Generics Limited

Statement of Changes in Equity for the year ended 31 March 2017

a) Equity share capital

	(INR in million)
Balance as at 1 April 2015	9.23
Issue of equity shares	3.85
Balance as at 31 March 2016	13.08
Issue of equity share on conversion of Compulsory convertible debenture	12.71
Balance as at 31 March 2017	**25.80**

(b) Other Equity (1)

(INR in million)

	Reserves and Surplus				Other Comprehensive Income		
	Equity component of compound financial instruments #	Capital reserve	Securities premium reserve	Retained earnings	Remeasurment of defined benefit obligations	Total reserves and surplus and Other Comprehensive Income	Total other equity
As at 1 April 2015	**1,970.39**	**0.02**	**4,109.17**	**(648.01)**	**-**	**3,461.18**	**5,431.57**
Profit for the year		-	-	504.25	-	504.25	504.2
Issue of equity shares		-	2,987.75	-	-	2,987.75	2,987.7
Remeasurment of net defined benefit liabilities/assets		-	-	-	(6.73)	(6.73)	(6.7
Adjustment on account of consolidation of ESOP Trust		2.79	-	-	-	2.79	2.
As at 31 March 2016	**1,970.39**	**2.81**	**7,096.92**	**(143.76)**	**(6.73)**	**6,949.24**	**8,919.63**
As at 1 April 2016	**1,970.39**	**2.81**	**7,096.92**	**(143.76)**	**(6.73)**	**6,949.24**	**8,919.63**
Profit for the year				2,486.69		2,486.69	2,486.6
Remeasurment of net defined benefit liabilities/assets					(10.53)	(10.53)	(10.5
Issue of equity share on conversion of Compulsory convertible debenture	(1,970.39)	4,362.53	8,475.12	-	-	12,837.65	10,867.2
As at 31 March 2017	**-**	**4,365.34**	**15,572.04**	**2,342.93**	**(17.26)**	**22,263.05**	**22,263.05**

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

its repreents the equity component of compound financial instruments computed in accordancce with Ind AS 109.

Significant accounting policies	2
Notes to the financial statements	3-39

The accompanying notes form an integral part of the financial statements

As per report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number : 101248W/W-100022

For and on behalf of Board of Directors

Jubilant Generics Limited

Pravin Tulsyan
Partner
Membership No: 108044

R. Sankaraiah
Director
DIN: 00025022

Gurpartap Singh Sachdeva
Director
DIN: 07288795

Place : Noida
Date : 22 May 2017

Amit Chaurasia
Company Secretary

Jubilant Generics Limited
Cash Flow Statement for the year ended 31 March 2017

(INR in million)

	For the year ended 31 March 2017	For the year ended 31 March 2016
A. Cash flows from operating activities		
Profit before tax	2,200.20	551.99
Adjustments :		
Depreciation, amortisation and impairment expense	796.86	1,392.48
Loss on sale/disposal/discard of fixed assets (net)	(1.87)	14.30
Finance costs	427.35	769.74
Unrealised foreign exchange differences	27.38	40.15
Liabilities written back	(29.93)	(6.90)
Dividend income	(1.47)	-
Interest income	(127.34)	(3.38)
Operating cash flows before working capital changes	**3,291.18**	**2,758.38**
(Increase)/ decrease in trade receivables, loans, other financial assets and other assets	143.72	(597.95)
(Increase) in inventories	(556.25)	(243.88)
Increase in trade payables, other financial liabilities, other liabilities and provisions	496.14	567.27
Cash generated from operations	**3,374.79**	**2,483.82**
Income tax paid	(290.91)	(2.34)
Net cash generated from operating activities	**3,083.88**	**2,481.48**
B. Cash flows from investing activities		
Purchase of property, plant and equipment, other intangible assets (including capital work-in-progress and intangible assets under development)	(2,102.11)	(1,173.96
Sale of property plant & equipment	2.53	5.38
Purchase of businesses	-	(4,153.43)
Receipt of Government subsidy	-	10.00
Inter corporate loan to ultimate holding company	(3,250.00)	-
Movement in other bank balances *	-	(3.60)
Dividend received	1.47	-
Interest received	92.67	2.52
Net cash used in investing activities	**(5,255.44)**	**(5,313.09)**
C. Cash flows from financing activities		
Proceeds from issue of share capital (including share premium and net of share issue expenses)	-	2,991.60
Proceeds from long term borrowings	-	1,722.89
Repayments of long term borrowings	(4,083.49)	(1,881.25
issue of equity component of compound financial instrument (Refer note 10)	6,517.45	-
issue of liability component of compound financial instrument (Refer note 11)	2,813.25	-
(Repayment)/Proceeds from short-term borrowings (net)	(1,681.48)	1,059.09
Finance costs paid **	(1,358.16)	(1,050.93)
Net cash generated from financing activities	**2,207.57**	**2,841.40**
Net increase in cash and cash equivalents (A+B+C)	**36.01**	**9.79**
Add: cash and cash equivalents at the beginning of year	34.46	24.67
Cash and cash equivalents at the end of the year	**70.47**	**34.46**
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	16.72	12.44
- Cash on hand	0.56	0.45
- Funds in transit	53.10	21.50
- Imprest	0.09	0.07
	70.47	**34.46**

* INR 3.6 million (previous year INR 3.6 million) has restricted use
** includes INR 371.53 million (Previous Year Rs. Nil) paid (net of TDS) on account of BTA.
Note:
Statement of Cash Flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash

Significant accounting policies	2
Notes to the financial statements	3-39

As per our report of even date attached

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

For and on behalf of the Board of Directors
Jubilant Generics Limited

Pravin Tulsyan
Partner
Membership No : 108044

R. Sankaraiah
Director
DIN: 00025022

Gurpartap Singh Sachdeva
Director
DIN: 07288795

Amit Chaurasia
Company Secretary

Place : Noida
Date : 22 May 2017

1. Corporate Information

Jubilant Generics Limited ("the Company") is a public limited company domiciled in India and incorporated on 25 November 2013 under the provisions of Companies Act, 1956. The Company is incorporated to engage in the manufacture and supply of Generics (including Active Pharmaceutical Ingredients (APIs) and Solid Dosage Formulations). Also refer note 28.

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*

The 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 39

Historical cost convention

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

(b) Business combinations

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such previous GAAP balances relating to business combinations consummated into before that date, including goodwill, have been carried forward (refer note 39). Business combinations (other than common control business combinations) are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

For business combinations between entities under common control, the assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statement of the acquired entity. The differences, if any, between the consideration and the amount of share capital of the acquired entity is transferred to equity.

(c) 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.

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

(i) Property, plant and equipment

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

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

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

- *Goodwill*

Goodwill arising on business combinations is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.
Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Internally generated goodwill is not recogni sed as an asset. With regard to other internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
  Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends

to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

(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	5 years	8 years
Motor Vehicles under finance lease	Tenure of lease or 5 years whichever is shorter	8 years
Computer servers and networks	5 years	6 years
Dies and punches for manufacture of dosage formulations	1-2 years	15 years
Employee perquisite related assets (except end user computers)	5 years, being the period of perquisite scheme	10 years

The estimated useful lives of Intangibles are follows:

Internally generated product registration	5 to 10 years
Acquired patents	5 to 10 years
Rights	5 years
Software	5 years

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.

On transition to Ind AS, the Company has elected to exercise the option under Ind AS 21 for accounting of Exchange differences pertaining to long term foreign currency monetary items that are related to acquisition of depreciable assets to adjust in the carrying amount of the related fixed assets in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly depreciation on exchange fluctuation capitalized is charged over the remaining useful life of respective assets.

(e) Non-current assets held for sale

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

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

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

(f) Impairment of non-financial assets

The Company's non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

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

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

(g) Financial instrument

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVOCI

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVPL

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

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

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the previous gaap carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1 April 2015.

Impairment of financial assets

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

Derecognition

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

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

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

Transition to Ind AS

Under previous gaap, the Company has derecognized any assets or liabilities for accounting purposes as and when the asset was written off or liability written back. On transition to Ind AS, the Company has elected to apply the de-recognition provision of Ind AS 109 prospectively from the date of transition to Ind AS.

Financial liabilities

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

Derecognition

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

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign-exchange forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Compound financial instruments

Compound financial instruments issued by the company comprise convertible debenture denominated in Indian Rupee that can be converted to ordinary shares at the option of the holder and issuer, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a while and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of compound financial instruments is measured at amortised cost using the EIR method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in Statement of profit and loss. On conversion at maturity and early conversion, the financial liability is reclassified to equity and no gains or losses are recognised.

Offsetting

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

(h) Inventories

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

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

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

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

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

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

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

(i) 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.

(j) 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.

(k) Revenue recognition

Revenue from sale of products is recognised when the property in the goods, or all significant risks and rewards of ownership of the products have been transferred to the buyer, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods as well as regarding its collection. Revenues include excise duty and are shown net of sales tax, value added tax, and applicable discounts 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.

Revenue from fixed-price contract is recorded on a proportionate completion method.

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

Upfront non-refundable receipts are recorded as deferred revenue. Revenue under out-licensing arrangements are recognised as revenues as obligations are fulfilled under contractual arrangement and/or as milestones are achieved as the case may be.
Refundable fees are deferred and recognised as revenue in the period in which all contractual obligations are met and the contingency is resolved.

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

(l) 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 (applicable for Indian entities of the Company), 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.

(v) Share-based payments:

Certain employees of the Company are in receipt of stock options from Jubilant Life Sciences Limited. The grant date fair value of options granted (net of estimated forfeiture) to employees of the Company is recognized as an employee expense. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under “capital reserve”. The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black- Scholes Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

Corresponding balance of a capital reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee, as the Company is operating the Employee Stock Option schemes through Jubilant Employees Welfare Trust, which has purchased share from the secondary market.

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.

Remeasurment 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)

(m) Finance costs

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

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

(n) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- ***Current tax:***

  Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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

- ***Deferred tax:***

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

  - temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
  - temporary differences related to freehold land and investments in subsidiaries, 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
  - taxable temporary differences arising on the initial recognition of goodwill.

  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 apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the 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 realise the asset and settle the liability on a net basis or simultaneously.

(o) 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 the Statement of Profit and 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.

(p) 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.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs, All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

(q) Government grants

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

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

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

(r) 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

(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

(s) 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.

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.

(t) Critical estimates and judgments

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.

- Recognition and estimation of tax expense including deferred tax – Note 23
- Estimated impairment of financial assets and non-financial assets – Note 2(f), 2(g)
- Assessment of useful life of proper ty, plant and equipment and intangible assets – Note 2(d)
- Estimation of assets and obligations relating to employee benefits – Note 25
- Valuation of Inventories – Note 2(h)
- Recognition and measurement of contingency : Key assumption about the likelihood and magnitude of an outflow of resources – Note 32
- Lease classification – Note 34(b)(ii)
- Fair value measurement – Note 2(s)

(u) 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 is being evaluated.

3. Property, Plant and equipment

INR in million

Description	Land-Freehold	Building factory	Building Other	Plant and equipment	Furniture and fixtures	Vehicles owned	Vehicles leased	Office equipment	Total
Gross carrying value as at 1 April 2015									
Deemed cost as at 1 April 2015	601.89	967.79	111.37	4,259.78	99.21	1.65	2.58	38.72	6,082.99
Additions/adjustments (4)	-	-	-	239.43	8.54	0.09	7.31	20.09	275.46
Deductions/adjustments	-	-	-	(29.19)	(1.59)	-	(0.45)	(1.24)	(32.47)
Gross carrying value as at 31 March 2016	**601.89**	**967.79**	**111.37**	**4,470.02**	**106.16**	**1.74**	**9.44**	**57.57**	**6,325.98**
Accumulated depreciation as at 1 April 2015	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	38.99	2.33	514.61	23.00	0.52	2.49	15.86	597.80
Deductions/adjustments	-	-	-	(1.85)	(0.36)	-	(0.25)	(0.34)	(2.80)
Accumulated depreciation as at 31 March 2016	**-**	**38.99**	**2.33**	**512.76**	**22.64**	**0.52**	**2.24**	**15.52**	**595.00**
Net Block as at 31 March 2016	**601.89**	**928.80**	**109.04**	**3,957.26**	**83.52**	**1.22**	**7.20**	**42.05**	**5,730.98**
Capital work in progress (CWIP)									
As at 31 March 2016									**165.61**
As at 1 April 2015									**60.44**

INR in million

Description	Land-Freehold	Building factory	Building Other	Plant and equipment	Furniture and fixtures	Vehicles owned	Vehicles leased	Office equipment	Total
Gross carrying value as at 1 April 2016	601.89	967.79	111.37	4,470.02	106.16	1.74	9.44	57.57	6,325.98
Additions/adjustments (4)	-	99.35	1.39	864.35	10.64	-	7.22	19.39	1,002.34
Deductions/adjustments	-	-	-	(0.38)	(0.84)	-	(1.30)	(0.73)	(3.25)
Gross carrying value as at 31 March 2017	**601.89**	**1,067.14**	**112.76**	**5,333.99**	**115.96**	**1.74**	**15.36**	**76.23**	**7,325.07**
Accumulated depreciation as at 1 April 2016	-	38.99	2.33	512.76	22.64	0.52	2.24	15.52	595.00
Depreciation charge for the year	-	37.25	2.72	350.60	16.49	0.37	3.19	17.43	428.05
Deductions/adjustments	-	-	-	(0.00)	(0.20)	-	(0.31)	(0.04)	(0.55)
Accumulated depreciation as at 31 March 2017	**-**	**76.24**	**5.05**	**863.36**	**38.93**	**0.89**	**5.12**	**32.91**	**1,022.50**
Net Block as at 31 March 2017	**601.89**	**990.90**	**107.71**	**4,470.63**	**77.03**	**0.85**	**10.24**	**43.32**	**6,302.57**
Net Block as at 1 April 2016	**601.89**	**928.80**	**109.04**	**3,957.26**	**83.52**	**1.22**	**7.20**	**42.05**	**5,730.98**
Capital work in progress (CWIP)									
As at 31 March 2017									**207.10**
As at 31 March 2016									**165.61**

Notes:

(1) Refer note 11(c) for information on property, plant and equipment pledged as security by the company.
(2) Refer note 34(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
(3) Refer note 20 for finance costs capitalised.
(4) Includes INR 140.49 million (Previous year INR 43.00 million) in respect of Research and development assets.
(5) Capital research and development expenditure aggregating to INR 128.48 million (Previous year INR 52.42 million) incurred during the year included in additions to property plant & equipment/ capital work-in-progress.

4. Goodwill and other intangible assets

INR in million

Description	Goodwill	Internally generated product registration/ market authorisation	Rights	Software	Total
Gross carrying value as at 1 April 2015					
Deemed cost as at 1 April 2015	1,371.36	1,004.81	15.81	2.43	2,394.41
Additions/adjustments (1)	-	303.80	-	3.04	306.84
Gross carrying value as at 31 March 2016	**1,371.36**	**1,308.61**	**15.81**	**5.47**	**2,701.25**
Accumulated amortisation as at 1 April 2015	**-**	**-**	**-**	**-**	**-**
Amortisation and impairment for the year	-	365.74	5.20	0.88	371.82
Accumulated amortisation as at 31 March 2016	**-**	**365.74**	**5.20**	**0.88**	**371.82**
Net Block as at 31 March 2016	**1,371.36**	**942.87**	**10.61**	**4.59**	**2,329.43**
Intangibles under development					
As at 31 March 2016					**2,883.58**
As at 1 April 2015					**2,723.10**

INR in million

Description	Goodwill	Internally generated product registration/ market authorisation	Rights	Software	Total
Gross carrying value as at 1 April 2016	1,371.36	1,308.61	15.81	5.47	2,701.25
Additions/adjustments (1)	-	338.64	-	189.48	528.12
Gross carrying value as at 31 March 2017	**1,371.36**	**1,647.25**	**15.81**	**194.95**	**3,229.37**
Accumulated amortisation as at 1 April 2016	-	365.74	5.20	0.88	371.82
Amortisation for the year	-	345.35	5.18	2.52	353.05
Accumulated amortisation as at 31 March 2017	**-**	**711.09**	**10.38**	**3.40**	**724.87**
Net Block as at 31 March 2017	**1,371.36**	**936.16**	**5.43**	**191.55**	**2,504.50**
Net Block as at 1 April 2016	**1,371.36**	**942.87**	**10.61**	**4.59**	**2,329.43**
Intangibles under development					
As at 31 March 2017					**3,494.06**
As at 31 March 2016					**2,883.58**

Notes:

(1) Represents INR 338.64 million (Previous year INR 303.80 million) in respect of research and development assets.

(2) Capital research and development expenditure aggregating to INR 1,010.39 million (Previous year INR 764.94 million) incurred during the year included in additions to Intangible fixed assets/Intangible assets under development.

(3) The Company has reviewed the carrying value of internally generated intangible assets – product registration/ market authorisation and intangibles under development and based on the financial and technical assessment, intangibles under development amounting to INR 15.36 million (Previous year INR 427.79 million) has been written off and is included under the head depreciation, amortisation and impairment expense.

5. Financial assets

5(a) Non-current Investments

INR in million

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Investment in equity shares (at cost)			
Unquoted investment (fully paid up)			
(A) Subsidiary companies:			
Jubilant Pharma NV	965.00	965.00	965.00
[13,900,000 (Previous year 13,900,000) equity shares of face value Euro 1 per share]			
(B) Associates:			
Jubilant Pharma Holdings Inc.	3090.00	3090.00	3090.00
[200 (Previous year 200) equity shares with no par value]			
Total non current investments	**4055.00**	**4055.00**	**4055.00**

5(b) Loans

INR in million

	As at 31 March 17		As at 31 March 16		As at 1 April 15	
	Current	Non-current	Current	Non-current	Current	Non-current
Unsecured, considered good						
Security deposits	-	31.29	-	33.31	-	30.94
Loan to related parties (refer note 31)	-	3,250.00	-	-	-	-
Loan to employees	0.03	5.01	1.69	4.56	1.10	6.00
Total loans	**0.03**	**3,286.30**	**1.69**	**37.87**	**1.10**	**36.94**

5(c) Trade receivables

INR in million

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured and current			
Trade receivables	1,737.82	1,768.81	1,107.06
Receivables from related parties (refer note 31)	457.37	551.26	983.50
Less: Expected credit loss allowance	(5.43)	(4.01)	(8.48)
Total receivables	**2,189.76**	**2,316.06**	**2,082.08**

Note:
(1) Refer note 27 for expected credit loss for trade receivables

5(d) Cash and cash equivalents

INR in million

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with banks			
- in current accounts	16.72	12.44	23.66
Cash on hand	0.56	0.45	0.84
Others			
- Funds in transit	53.10	21.50	-
- Imprest	0.09	0.07	0.17
Total cash and cash equivalents	**70.47**	**34.46**	**24.67**

5 (e) Other bank balance

INR in million

	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- held as margin money	3.60	3.60	-
Total other bank balance (1)	**3.60**	**3.60**	**-**

(1) These have restricted use

5 (f) Other financial assets

INR in million

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Advances recoverable from related parties (refer note 31)	44.39	92.90	52.98
Insurance claim recoverable	-	0.30	0.31
Unbilled revenue	1.09	2.67	8.29
Interest receivable	21.12	-	-
Others	-	-	10.15
Total other financial assets	**66.60**	**95.87**	**71.73**

6. Deferred Tax

Deferred income tax reflect the net tax effects of temporary differences between the carrying amount of asset and liabilities for financial reporting purposes and the amount used for income tax purposes. Significant component of the Company's net deferred income tax are as follows:

Deferred tax assets

INR in million

	Provision for compensated absences and gratuity	Expenditure allowed on actual payment basis	Tax losses carried forward	MAT Credit Entitlement	Others	Total
As at 1 April 2015	-	-	-	-	-	-
(Charged)/Credited:						
- to statement of profit and loss	-	-	-	-	-	-
- to Other comprehensive income						-
As at 31 March 2016	-	-	-	-	-	-
(Charged)/Credited:						
- to statement of profit and loss	41.96	12.01	1,387.33	539.81	8.86	1,989.97
- to Other comprehensive income	5.58	-	-	-	-	5.58
As at 31 March 2017	**47.54**	**12.01**	**1,387.33**	**539.81**	**8.86**	**1,995.55**

Deferred tax liabilities:

INR in million

	Depreciation and amortisation	Difference in tax value and book value of R&D CWIP/ Intangible and Intangibles under development	Others	Total
As at 1 April 2015	**-**	**-**	**-**	**-**
(Charged)/Credited:				
- to statement of profit and loss	-	-	-	-
As at 31 March 2016	**-**	**-**	**-**	**-**
(Charged)/Credited:				
- to statement of profit and loss	641.86	545.95	23.59	1,211.41
As at 31 March 2017	**641.86**	**545.95**	**23.59**	**1,211.41**

Reflected in the Balance Sheet as follows:

INR in million

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred tax assets	1,995.55	-	-
Deferred tax liabilities:	1,211.41	-	-
Deferred tax assets, net:	**784.14**	**-**	**-**

Reconciliation of deferred tax assets (net):

INR in million

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred tax assets, net:	784.14	-	-
Deferred tax assets, net:	**784.14**	**-**	**-**

Deferred tax assets not recognised is as below:

INR in million

Particulars	As at 31 March 2016	
	Amount of temporary differences	Amount of deferred tax on temporary differences
Deductible temporary differences	3,764.89	1,302.95
Taxable temporary differences	2,279.73	788.97
Net unrecognized temporary differences	**1,485.16**	**513.98**

INR in million

Particulars	As at 1 April 2015	
	Amount of temporary differences	**Amount of deferred tax on temporary differences**
Deductible temporary differences	2,598.79	899.39
Taxable temporary differences	1,112.46	385.00
Net unrecognized temporary differences	**1,486.33**	**514.39**

The company has unused tax losses and unabsorbed depreciation amounting to Nil (31 March 2016: 1,046.02 million, 1 April 2015: INR 1,046.02 million) and INR NIL (31 March 2016: INR 2,541.71 million; 1 April 2015: INR 1,318.45 million), respectively as at year end, available to reduce future income taxes. If not used, the unused tax losses will expire in the tax year 2022-2023 (31 March 2016: 2022-2023; 1 April 2015: 2022-2023) and unabsorbed depreciation can be carried forward for an indefinite period.

7. Other non-current assets

INR in million

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital advances	33.78	2.96	11.78
Total other non-current assets	**33.78**	**2.96**	**11.78**

8. Inventories

INR in million

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Raw materials (including goods-in-transit) INR 33.71 million (31 March 2016 INR 140.30 million 1 April 2015 INR 62.84 million)]	798.58	765.16	733.26
Work-in-progress	1,285.23	840.22	666.49
Finished goods (including goods-in-transit INR 101.69 Million), (31 March 2016 INR 51.02. million, 1 April 2015 INR 41.77 million)	292.74	254.82	243.53
Traded goods	-	3.84	6.31
Stores and spares (including goods-in-transit INR 3.20 million) (31 March 2016 INR 3.68 million`,1 April 2015 INR 0.16 million)	195.54	128.53	108.31
Packing material (including goods-in-transit INR 10.14 million) (31 March 2016 INR 1.17 million,1 April 2015 INR 4.85 million)	87.51	84.69	80.18
Others- process chemicals and fuels	0.71	26.80	24.94
Total inventories	**2,660.31**	**2,104.06**	**1,863.02**

9. Other current assets

INR in million

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Prepayments	60.56	51.96	32.75
Recoverable from/ balance with government authorities	505.92	526.97	278.60
Advance to employee	7.96	9.79	7.65
Advance for supply of goods and services	56.79	32.53	17.22
Others	23.48	17.22	14.98
Total other current assets	**654.71**	**638.47**	**351.20**

10. Equity share capital and other equity

10(a) Equity share capital

INR in million

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised			
3,000,000 (31 March 2016 : 2,000,000; 1 April 2015: 1,000,000) equity shares of INR 10 each	30.00	20.00	10.00
	30.00	**20.00**	**10.00**
Issued and subscribed			
2,579,665 (31 March 2016 : 1,308,499; 1 April 2015: 930,000) equity shares of INR 10 each	25.80	13.08	9.30
	25.80	**13.08**	**9.30**
Paid up			
2,579,665 (31 March 2016 : 1,308,499; 1 April 2015: 9,23,480) equity shares of INR 10 each	25.80	13.08	9.23
	25.80	**13.08**	**9.23**

Movements in equity share capital

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number	INR in million	Number	INR in million	Number	INR in million
At the commencement and at the end of the year	1,308,499	13.08	923,480	9.23	100,000	1.00
Add: Shares issued during the year	-	-	385,019	3.85	823,480	8.23
Add: conversion of compulsory convertible debenture during the year*	1,271,166	12.72	-	-	-	-
At the end of the year	2,579,665	25.80	1,308,499	13.08	923,480	9.23

* Refer Note 11(a).6 and 11(a).7

Terms and rights 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

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
Equity shares of INR10 each fully paid-up held by	**Number**	**% of total shares**	**Number**	**% of total shares**	**Number**	**% of total shares**
Jubilant Pharma Limited, Singapore - the holding company (including 7 shares held jointly with 7 individuals)	2,579,665	100%	13,08,399	100%	9,23,480	100%

The Company has not issued any bonus shares neither has issued shares for consideration other than cash and has not bought back any shares in the current and previous periods.

Shares reserved for issue under contract

	Number	**INR in Million**
	As at 31 March 2016	
12% unsecured compulsorily convertible debenture, issued to Jubilant Pharma Limited (Refer note 11(a)	5,59,120	5.59
	As at 1 April 2015	
12% unsecured compulsorily convertible debenture, issued to Jubilant Pharma Limited (Refer note 11(a)	5,59,120	5.59

10(b): Reserves and surplus

Nature and purpose of other reserves

Capital reserve

Accumulated capital surplus not available for distribution of dividend and 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.

Remeasurment of defined benefit liability (assets)

Remeasurment of defined benefit liability (assets) comprises actuarial gain and losses and return on plan assets (excluding interest income).

Equity component of compound financial instruments

Equity component of compound financial instruments comprises equity portion of 12% unsecured compulsorily convertible debentures.

11. Financial liabilities

11(a) Non-current borrowings

INR in million

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Term Loans			
Indian rupee loans (secured)	-	3,315.72	3,543.05
From other parties			
Indian rupee loans (secured)	-	743.98	-
Liability component of compound financial instrument			
Convertible debentures (unsecured)	-	1,680.61	1,959.99
Long term maturity of finance lease obligations (secured)	7.96	5.04	1.54
Total non-current borrowings	**7.96**	**5,745.35**	**5,504.58**
Add: Current maturities of term loans (Refer note 11(e)	-	26.99	705.81
Add: Current maturities of financial lease obligation (Refer note 11(e)	2.91	2.63	1.44
Add: Current maturities of compulsorily convertible debenture (Refer note 11(e)	-	279.38	245.83
Total Non-current borrowings including current maturities of long term loan	**10.87**	**6,054.35**	**6,457.66**

11(b) Current borrowings

INR in million

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Loans repayable on demand			
From Banks			
Secured	413.35	2,209.61	1,165.51
Unsecured	400.00	-	-
Bank overdraft	2.91	3.64	-
From others			
Secured	-	284.49	274.20
Total current borrowings	**816.26**	**2,497.74**	**1,439.71**

11(a) Nature of security of Non-current borrowings and other terms of repayment

1. Term loans amounting to INR Nil (31 March 2016 INR 4,141.66 million, 1 April 2015 INR 4,300.00 million) from Yes Bank, Indian Bank, Ratnakar Bank, HDFC Limited and Indusind bank were secured by a first pari-passu charge amongst the lenders on all immovable and movable fixed assets (both present and future) of the Company. These loans carried an interest rate ranging from 10.75% - 11.55% (31 March 2016 10.75-11.55%, 1 April 2015 11.50%) per annum.

2. Indian rupee term loan amounting to INR Nil (31 March 2016 INR 843.75 million, 1 April 2015 INR1,500.00 million) and from Yes Bank and INR Nil (31 March 2016 INR 843.75 million, 1 April 2015 INR1,500.00 million) from Indian Bank (payable in: 31 March 2016 nine equal quarterly installments, 1 April 2015 sixteen equal quarterly installments commencing from September 2015) paid during the year in full.

3. Indian rupee term loan amounting to INR Nil (31 March 2016 INR 731.25 million, 1 Aril 2015 INR 1,300.00 million) from Ratnakar Bank (31 March 2016 nine equal quarterly installments, 1 April 2015 sixteen equal quarterly installments commencing from October 2015) paid during the year in full.
4. Indian rupee term loan amounting to INR Nil (31 March 2016 INR 750 million, 1 April 2015 INR Nil) from HDFC Limited were repayable in seven half yearly installments commencing from December 2017 paid during the year in full.

5. Indian rupee term loan amounting to INR Nil (31 March 2016 INR 972.90 million, 1 April 2015 INR Nil) from Indusind Bank were repayable in twenty quarterly installments commencing from May 2016 paid during the year in full.

6. During the year, the Company issued 59,970, 8% compulsorily convertible debenture of face value of INR 100,000 each on 7 October 2016 and 33,337 compulsorily convertible debenture of face value of INR 100,000 each on 13 October 2016, These 8% unsecured compulsorily convertible debentures were convertible into equity share after 5 years from the date of allotment i.e.7 October 2016 and 13 October 2016. The interest was due for payment on half yearly basis. As per the terms, for every compulsorily convertible debenture of face value of INR 100,000 each, 7.63 equity shares of face value of INR 10 each was to be issued at the time of conversion. Any fractional shares was paid in cash, all these CCD's were converted into equity on 29 Match 2017.

7. The 12% unsecured compulsorily convertible debentures issued in FY 2014-15 were convertible into equity shares after 7 years from the date of allotment i.e. 2 July 2021. The interest was due for payment on quarterly basis. As per the terms, for every compulsorily convertible debenture of face value of INR 100,000 each, 12.88 equity shares of face value of INR 10 each was issued at the time of conversion. Any fractional shares was paid in cash.

8. The instruments covered in note 6 and 7 above, being in the nature of compound financial instruments containing both equity and financial liability feature, was initially recorded separately by using method as fully described in related accounting policy in significant accounting policy section of these financial statements.

   During the year, the terms of these instruments were modified whereby 12% unsecured compulsorily debenture allotted on 2 July 2014 were converted in to equity share on 2 January 2017 and 8% unsecured compulsorily debenture allotted on 7 October 2016 and 13 October 2016 respectively were converted in to equity share on 29 March 2017 respectively. Consequent to early conversion through modification of terms, the respective financial liability on the date is extinguished and being a transaction with holding company has been recorded as an adjustment to capital reserve.

9. Finance lease obligations are secured by hypothecation of specific assets taken under such lease. The same are repayable within five years.

11(b) Nature of security of current borrowings and other terms of repayment

1. Working capital facilities (including cash credit) sanctioned by consortium of banks and notified financial institutions are secured by a first charge by way of hypothecation, ranking pari-passu inter-se banks, of the

entire book debts and receivables and inventories, both present and future, of the Company wherever the same may be or be held. Other working capital loans are repayable as per terms of agreement within one year.

2. Short-term loans are availed in Indian rupees and in foreign currency. Indian rupee loans carry interest rate ranging from 8.65% to 12.65% (31 March 2016 11.05% to 13.80%, 1 April 2015 11.75% to 13.80%) per annum and foreign currency loans carry interest rate of Libor plus spread ranging from 200 to 350 basis points (31 March 2016 200 to 350
3. basis points, 1 April 2015 200 to 350 basis points). Libor are reset at periodic intervals as per the terms of the loans.

Property, plant and equipment, inventory and other financial assets with a carrying amount of INR Nil million (31 March 2016: INR 5.723.78 million; 1 April 2015: INR 6,080.42 million), INR 2,660.31 million (31 March 2016: INR 2,104.06 million; 1 April 2015: INR 1,863.02 million), INR 2,189.76 million (31 March 2016: INR 2,316.06 million; 1 April 2015: INR 2,082.08 million) respectively are provided as security against borrowing at year end.

11(c) Trade payables

INR in million

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current			
Trade payables	1,502.30	1,251.23	938.73
Trade payables to related parties (note 31)	555.57	369.69	267.51
Total trade payables	**2,057.87**	**1,620.92**	**1,206.24**

Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises, to whom the Indian entities owes dues, which are outstanding for more than 45 days as at 31 March 2017. The information as required to be disclosed in relation to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Indian entities.

INR in million

Particulars	31 March 2017	31 March 2016	1 April 2015
The principal amount remaining unpaid to any supplier as at the end of the year	21.59	35.96	9.32
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-	-	-
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-	-

11(d) Other current financial liabilities

INR in million

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current maturities of long-term debt	-	26.99	705.81
Current maturities of finance lease obligations	2.91	2.63	1.44
Current maturities of compulsorily convertible debenture	-	279.38	245.83
Interest accrued but not due	48.67	197.24	144.69
Security deposit	0.21	0.20	0.10
Capital creditors	174.52	49.68	59.98
Employee benefits payable	121.16	174.06	70.25
Other payables including accrued interest on BTA	-	371.53	4,528.01
Total other current financial liabilities	**347.47**	**1,101.71**	**5,756.11**

12. Other current liabilities

INR in million

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade deposits and advances	78.98	51.99	22.14
Income received in advance/unearned revenue	28.48	21.84	63.21
Statutory dues payables	112.96	83.94	58.34
Total other current liabilities	**220.42**	**157.77**	**143.69**

13. Provisions

INR in million

	As at 31 March 17		As at 31 March 16		As at 1 April 15	
	Current	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**
Provision for employee benefits (refer note 25)	29.45	204.93	13.66	173.13	14.55	165.30
Other provisions	-	-	-	-	5.20	-
Total provisions	**29.45**	**204.93**	**13.66**	**173.13**	**19.75**	**165.30**

14. Current tax liabilities

INR in million

Particulars	**31 March 2017**	**31 March 2016**
Opening balance	47.74	-
Add: Current tax payable for the year	492.07	47.74
Less: Taxes paid	(290.89)	-
Total current tax liabilities	**248.92**	**47.74**

15. Revenue from operations

The Company derives the following types of revenue:

INR in million

	Year ended 31 March 2017	**Year ended 31 March 2016**
Sale of products (including excise duty)		
- Finished goods	10,055.42	8,778.75
- Traded goods	14.23	34.34
Sale of services	47.96	41.00
Other operating revenue	475.88	301.55
Total revenue from operations	**10,593.49**	**9,155.64**

16. Other income

INR in million

	Year ended 31 March 2017	**Year ended 31 March 2016**
Interest income	127.34	3.38
Deferred revenue income on subsidy/EPCG license	1.08	0.85
Dividend on non-trade investments	1.47	-
Net gain on disposal of property, plant and equipment	1.87	-
Net foreign exchange gain	-	33.11
Other items	0.84	4.84
Total other income	**132.60**	**42.18**

17. Cost of materials consumed

INR in million

	Year ended 31 March 2017	Year ended 31 March 2016
Raw and process materials consumed	3,990.53	3,524.70
Total cost of materials consumed	**3,990.53**	**3,524.70**

18. Changes in inventories of finished goods, stock-in-trade and work-in-progress

INR in million

	Year ended 31 March 2017	Year ended 31 March 2016
Opening balance		
Work-in progress	840.22	666.49
Finished goods	254.82	243.53
Traded goods	3.84	6.31
Total opening balance	**1,098.88**	**916.33**
Closing balance		
Work-in progress	1,285.23	840.22
Finished goods	292.74	254.82
Traded goods	-	3.84
Total closing balance	1,577.97	1,098.88
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**(479.09)**	**(182.55)**

19. Employee benefit expense

INR in million

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, wages, bonus, gratuity and allowances	1,262.98	1,074.80
Contribution to provident fund, superannuation and other funds	63.52	55.22
Employee share-based payment expense	-	2.79
Staff welfare expenses	91.63	82.77
Total employee benefit expense	**1,418.13**	**1,215.58**

20. Finance costs

INR in million

	Year ended 31 March 2017	Year ended 31 March 2016
Interest expense	363.75	671.90
Other borrowing costs	56.88	39.81
Exchange differences to the extent considered as an adjustment to borrowing costs	6.72	58.03
Finance costs expensed in profit or loss	**427.35**	**769.74**

Notes:

(1) In line with the applicable IND-AS finance costs amounting to INR 330.70 million (Previous year INR 250.86 million) has been capitalized during the year.

21. Depreciation, amortisation and impairment expense

INR in million

	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation of property, plant and equipment	428.05	597.80
Amortisation of intangible assets	353.45	366.89
Impairment of intangible assets (refer note 4)	15.36	427.79
Total Depreciation, amortisation and impairment expense	**796.86**	**1,392.48**

22. Other expenses

INR in million

	Year ended 31 March 2017	Year ended 31 March 2016
Power and fuel	444.52	445.74
Consumption of stores and spares and packing materials	451.90	368.73
Processing charges	33.14	26.98
Excise duty related to increase/decrease in inventory of finished goods	0.39	(1.91)
Rental charges	34.77	33.42
Rates and taxes	105.20	64.90
Insurance	21.30	24.18
Advertisement, publicity and sales promotion	15.49	16.05
Travel and conveyance	49.31	47.64
Repairs and maintenance		
Plant and machinery	143.52	161.51
Buildings	19.46	16.69
Others	31.36	19.21
Office expenses	28.32	48.35
Vehicle running and maintenance	8.61	7.99
Printing and stationery	12.25	11.95
Telephone and communication charges	10.90	10.49
Staff recruitment and training	20.68	17.63
Payments to auditors (refer note 22(a) below)	1.36	1.94
Legal and professional fees	351.39	354.84
Freight and forwarding (including ocean freight)	22.94	24.29
Directors' sitting fees	0.81	0.38
Subscription	12.62	6.53
Miscellaneous expenses	17.45	2.75
Bank charges	14.82	13.67
Claims and other selling expenses	196.05	6.66
Commission on sales	57.66	56.16
Loss on sale/disposal/discard of fixed assets (net)	-	14.30
Net foreign exchange loss	18.30	-
Provision/write off bad debts/irrecoverable advances (net)	7.74	0.66
Total other expenses	**2,132.26**	**1,801.73**

22(a): Details of payments to auditors (excluding service tax and including out of pocket expenses)

INR in million

	Year ended 31 March 2017	Year ended 31 March 2016
Payment to auditors		
As auditor:		
Audit fee	1.20	1.20
Tax audit fee	-	0.30
In other capacities		
Certification fees	0.16	0.44
Total payments to auditors	**1.36**	**1.94**

23. Income tax expense

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

INR in million

	For the year ended 31 March 2017	For the year ended 31 March 2016
Current income tax:		
Current income tax charge for the year	492.16	47.74
Adjustments in respect of current income tax of previous years	(0.09)	-
	492.07	**47.74**
Deferred tax:		
Deferred tax on profits for the year	(238.75)	-
	(238.75)	**-**
MAT Credit		
MAT credit on profits for the year	(492.16)	-
Adjustment in respect of MAT credit of previous years	(47.65)	-
Total MAT credit tax expense	**(539.81)**	**-**
Income tax expense reported in the Statement of Profit and Loss	**(286.49)**	**47.74**
OCI section		
Tax related to items that will not be reclassified to Profit & Loss	(5.58)	-
Income tax charged to OCI	**(5.58)**	**-**

Reconciliation between average effective tax rate and applicable tax rate for 31st March 217 and 31 March 2016:

INR in million

Particulars	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
Accounting profit before income tax	2,200.20	551.99
At India's statutory income tax rate of 34.608% (2015-16 - 34.608%)	761.47	191.03
Effect of non-deductible expenses and exempt income	(180.50)	5.22
Impairment of Intangibles	-	148.05
Increment allowance for research and development and other capital expenditure:		
- on Revenue	(121.38)	(135.53)
- on Capital (100%)	(184.44)	(208.77)
Effect of prior year re-assessments	(561.64)	-
Others	-	47.74
Income Tax expenses reported in the Statement of Profit and Loss	**(286.49)**	**47.74**

24. **Research and development expenses (excluding finance cost, depreciation and amortisation) comprises as mentioned hereunder:**

INR in million

Revenue Expenditure	**For the Year ended 31 March 2017**	**For the Year ended 31 March 2016**	**For the Year ended 31 March 2015**
Cost of material consumed	275.40	260.29	135.79
Employee benefits expense	445.18	382.32	307.78
Utilities- power	40.60	38.21	32.02
Other expenses	419.17	322.81	295.14
Total revenue expenditure (A)	**1,180.35**	**1,003.63**	**770.73**

Out of the above total expenditure, the amount of R&D expenditure transferred to Intangibles / assets under development is INR. 722.67 in FY 2016- 17, INR 595.15 Million in FY 2015-16 and INR 427.47 in FY 2014-15.

Capital expenditure (Equipments)

INR in million

Capital Expenditure	**For the Year ended 31 March 2017**	**For the Year ended 31 March 2016**	**For the Year ended 31 March 2015**
Capital Expenditure	128.48	52.42	51.92
Total capital expenditure (B)	**128.48**	**52.42**	**51.92**
Total (A+B)	**1,308.83**	**1,056.05**	**822.65**

Details of amounts received by R&D in cash or kind

INR in million

	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015
Income from contract research	8.63	15.21	22.00
Others	0.55	0.24	5.15
Total	**9.18**	**15.45**	**27.15**

Out of the above total expenditure, the amount of R&D expenditure eligible for deduction u/s 35(2AB) is as follows:

Revenue expenditure:

INR in million

	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015
Cost of Material consumed	275.40	260.02	135.79
Employee Benefit Expense	406.75	347.97	284.99
Utilities - Power	40.60	38.21	32.02
Other Expenses	106.20	106.88	66.44
Total	**828.95**	**753.08**	**519.24**

Capital expenditure:

INR in million

	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015
Equipments	128.48	50.43	51.39
Total	**128.48**	**50.43**	**51.39**

25: Employee Benefits in respect of the Company have been calculated as under:

(A) Defined Contribution Plans
Provident Fund*

During the year the Company has contributed following amounts :

(INR in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Employers contribution to employee's pension scheme 1995	23.36	20.55

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

a. State Plans
During the year the Company has contributed following amounts to:

(INR in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Employers contribution to employee state insurance	2.42	1.79

(B) Defined Benefit Plans

Parent Company including Indian Subsidiaries

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 7.90% 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 the Company. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return assumed on plan assets is 9.00% p.a. (31 March 2016: 9% p.a., 1 April 2015: 9.00% p.a.).

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

(INR in million)

Particulars	31 March 2017	31 March 2016
Present value of obligation at the beginning of the year	115.75	109.39
Acquisition adjustment (refer note 28)	-	-
Current service cost	24.13	19.68
Interest cost	9.14	8.47
Actuarial loss	15.33	6.74
Benefits paid	(17.70)	(28.53)
Present value of obligation at the end of the year	146.65	115.75

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

(INR in million)

Particulars	31 March 2017	31 March 2016	1 April 2015
Present value of obligation at the end of the year	146.65	115.75	109.39
Fair value of plan assets at the end of the year	(21.61)	(17.21)	(17.83)
Net liabilities recognised in the Balance Sheet	125.04	98.54	91.56

Fair Value of Plan Assets:**

(INR in million)

Particulars	31 March 2017	31 March 2016
Plan assets at the beginning of the year	17.21	17.83
Acquisition adjustment (refer note 28)	-	-
Expected return on plan assets	0.58	1.64
Contribution by employer	5.74	4.39
Actual benefits paid	(1.93)	(6.43)
Actuarial (loss)/ gain	-	(0.22)
Plan assets at the end of the year	21.60	17.21

** In respect of certain employees of Nanjangud manufacturing units of the Company.

(INR in million)

Particulars	31 March 2017	31 March 2016
Current service cost	24.13	19.68
Interest cost	7.78	7.05
Expenses recognised in the statement of profit and loss	31.91	26.73

Expense recognised in the statement of profit and loss under employee benefit expense:

(INR in million)

Particulars	31 March 2017	31 March 2016
Net cumulative unrecognized actuarial gain/(loss) opening	(6.73)	-
Actuarial gain / (loss) for the year on PBO	(15.33)	(6.74)
Actuarial gain /(loss) for the year on Asset	(0.78)	0.01
Unrecognized actuarial gain/(loss) at the end of the year	(22.84)	(6.73)

Amount recognised in the statement of other comprehensive income:

Company's best estimate of contribution during next year is INR 37.77 million (31 March 2016: INR 39.99 million)

As at 31 March 2017, 31 March 2016 and April 1, 2015, 100% of the plan assets were invested in insurer managed funds

Sensitivity analysis

(INR in million)

Particulars	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Assumptions	**Discount rate**		**Future salary increase**	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(4.51)	4.78	4.80	(4.57)

ii. Provident Fund:

The company makes contribution to a recognised provident fund "Vam Employees Provident Fund Trust" (a multiemployer trust) for most of its employees, which is a defined benefit plan to the extent that the company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The total liability of Nil, Nil and Nil as at 31 March 2017, 31 March 2016 and 1 April 2015, as worked out by the actuary has been allocated to the company based on the corpus value of the company as on 31 March 2017, 31 March 2016 and 1 April 2015. Accordingly, liability of Nil, Nil and Nil as at 31 March 2017, 31 March 2016 and 1 April 2015 has been allocated to Company and Nil and Nil for the year ended 31 March 2017 and 31 March 2016 has been charged to Statement of Profit or Loss and other comprehensive income during the year.

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

Particulars	**As at 31 March 2017**	**As at 31 March 2016**	**As at 1 April 2015**
Discount Rate	7.50%	7.90%	7.74%
Guaranteed rate of return	8.65%	8.80%	8.75%

The Company has contributed INR 46.50 million to Provident Fund (31 March 2016: INR 39.79 million, 31 March 2015: INR 29.86 million) for the year.

(A) Other long term benefits

(INR in million)

	31 March 2017	**31 March 2016**	**1 April 2015**
Present value of obligation at the end of the year	109.33	89.80	89.79

26. Fair value measurements

INR in million

			31 March 2017			**31 March 2016**			**1 April 2015**		
	Note No.	**Level of hierarchy**	**FVPI**	**FVOCI**	**Amortised cost**	**FVPI**	**FVOCI**	**Amortised cost**	**FVPI**	**FVOCI**	**Amortised cost**
Financial assets											
Trade receivables	(a)		-	-	2,189.76	-	-	2,316.06	-	-	2,082.08
Loans	(a, b)		-	-	3,286.33	-	-	39.56	-	-	38.04
Cash and cash equivalents	(a)		-	-	74.07	-	-	38.06	-	-	24.67
Derivative financials assets			-	-	-	-	-	-	10.15	-	-
Other financial assets	(a, b)		-	-	66.60	-	-	95.87	-	-	71.73
Total financial assets			**-**	**-**	**5,616.76**	**-**	**-**	**2,489.55**	**10.15**	**-**	**2,216.52**
Financial liabilities											
Borrowings	(c)	3	-	-	827.13	-	-	8,552.09	-	-	7,897.37
Trade payables	(a)		-	-	2,057.87	-	-	1,620.92	-	-	1,206.24
Other financial liabilities	(a)		-	-	344.56	-	-	792.71	-	-	4,803.03
Total financial liabilities			**-**	**-**	**3,229.56**	**-**	**-**	**10,965.72**	**-**	**-**	**13,906.64**

Note:

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair value of non-current financial assets has not been disclosed as there is no significant differences between carrying value and fair value.

(c) Fair value of borrowing is as below

INR in million

	Level	Fair Value		
		31 March 2017	31 March 2016	31 March 2015
Unsecured compulsorily convertible debentures	3	-	1,959.99	2,205.82
Other Borrowings (including other current maturities)*	3	827.14	6,592.76	5,693.91
Loan to ultimate holding company	3	3,250.00	-	-

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

(d) The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

(e) Derivatives are carried at fair value at each reporting date. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

There are no transfers between level 1, Level 2 and Level 3 during the year ended 31 March 2017 and 31 March 2016.

27. Financial risk management

A. Financial risk management

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

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 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 Audit committee of the Board with top management oversees the formulation and implementation of the Risk management policies. The risks are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

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

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

i. 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 risk 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 is 5.43 million (31 March 2016: INR 4.01 million, 1 April 2015: INR 8.48 million)

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

(INR in million)

	2017	2016
Balance at the beginning of the year	4.01	8.48
Add: Provided during the year (net of reversal)	1.42	(4.47)
Less: Amount written off	-	-
Balance at the end of the year	5.43	4.01

Expected credit loss on financial assets other than trade receivables:

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

ii. 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 million

		Contractual Cash flows		
31 March 2017	**Carrying Amount**	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Borrowings (1)	827.13	827.13	819.17	7.96
Trade payables	2,057.87	2,057.87	2,057.87	-
Other financial liabilities	344.56	344.56	344.56	-
	3,229.56	**3,229.56**	**3,221.60**	**7.96**

INR in million

		Contractual Cash flows		
31 March 2016	**Carrying Amount**	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Borrowings (1)	8,552.09	8,552.09	2,806.74	5,745.35
Trade payables	1,620.92	1,620.92	1,620.92	-
Other financial liabilities	792.71	792.71	792.71	-
	10,965.72	**10,965.72**	**5,220.37**	**5,745.35**

INR in million

		Contractual Cash flows		
1 April 2015	**Carrying Amount**	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Borrowings (1)	7,897.37	7,897.37	2,392.79	5,504.58
Trade payables	1,206.24	1,206.24	1,206.24	-
Other financial liabilities	4,803.03	4,803.03	4,803.03	-
	13,906.64	**13,906.64**	**8,402.06**	**5,504.58**

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

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates that 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. The currencies in which the company is exposed to risk are USD, EURO, CAD and Other.

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

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 million)

	31 March 2017				31 March 2016				1 April 2015			
	USD	**EUR**	**CAD**	**Other**	**USD**	**EUR**	**CAD**	**Other**	**USD**	**EUR**	**CAD**	**Other**
Trade receivables	1,705.13	180.76	16.44	41.04	1,906.68	217.15	32.79	20.05	1,641.25	167.30	8.34	6.47
Cash and cash equivalent	53.10	-	-	-	21.20	-	-	-	-	-	-	-
Short term borrowings	-	-	-	-	384.25	-	-	-	649.20	-	-	-
Trade payables	741.18	42.42	20.57	0.06	372.99	98.02	37.40	1.13	196.42	149.16	36.28	3.35
Net statement of financial position exposure	**1017.05**	**138.34**	**(4.13)**	**40.98**	**1,170.64**	**119.13**	**(4.61)**	**18.92**	**795.63**	**18.14**	**(27.96)**	**3.12**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the euro, US dollar, CAD and other against all other currencies at 31 March would have affected the measurement of financial exposure 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 on forecast sales and purchases.

	INR in million	
	Profit or loss (before tax)	
	Strengthening	**Weakening**
31 March 2017		
USD (1% movement)	10.17	(10.17)
EUR (1% movement)	1.38	(1.38)
CAD (1% movement)	(0.04)	0.04
Other (1% movement)	0.41	(0.41)
31 March 2016		
USD (1% movement)	11.71	(11.71)
EUR (1% movement)	1.19	(1.19)
CAD (1% movement)	(0.05)	0.05
Other (1% movement)	0.19	(0.19)
1 April 2015		
USD (1% movement)	7.96	(7.96)
EUR (1% movement)	0.18	(0.18)
CAD (1% movement)	(0.28)	0.28
Other (1% movement)	0.03	(0.03)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Exposure to interest rate risk

The interest rate profile of the Company’s interest-bearing financial instruments as reported to the management of the Company is as follows:

The following table provides a break-up of the Company’s fixed and floating rate borrowings:

			INR in Million
	As at 31 March 2017	**As at 31 March 2016**	**As at 1 April 2015**
Fixed-rate borrowings*	-	1,959.99	2,205.82
Floating rate borrowings	816.26	6,639.39	5,739.71
Total borrowings (Gross of debt issuance cost)	**816.26**	**8,599.38**	**7,945.53**
Less: Fixed rate loan given to ultimate holding company	3,250.00	-	-
Net borrowings (Gross of debt issuance cost)	**(2,433.74)**	**8,599.38**	**7,945.53**

***** Liability component of compound financial instrument

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

If interest rates had been 25 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2017 would decrease / increase by INR 0.97 million (for the year ended 31 March 2016: decrease / increase by INR 13.04 millions). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

28. Business transfer agreement

During the year ended 31 March 2015, the Company had purchased, with effect from 1 July 2014, its Active Pharmaceutical Ingredients and Dosage Forms business from Jubilant Life Sciences Limited (JLSL), ultimate holding company, by way of a slump sale on going concern basis.

29. Segment reporting

Board of Directors of the Company has been identified as the Chief Operating Decision maker (CODM) as defined by Ind AS 108, Operating Segments. Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of segment and to make decision about allocation of resources. Accordingly, the company has determined pharmaceutical as the only reportable segment.

Information about Geographical segments:

INR in million

	Year ended 31 March 2017	Year ended 31 March 2016
Revenue by geographical location of customers		
Within India	1,217.57	1,011.80
Outside India	8,900.04	7,842.28
Total	**10,117.61**	**8,854.09**
Capital expenditure		
Within India	2182.43	847.95
Outside India	-	-
Total	**2182.43**	**847.95**
Revenue by geographical markets		
India	1217.57	1011.80
Americas and Europe	6749.71	5482.98
Rest of the world	2150.33	2359.31
Total	**10117.61**	**8854.09**

INR in million

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current assets (by geographical location of assets)*			
Within India	15,834.46	11,156.56	11,313.45
Outside India	-	-	-
	15,834.46	11,156.56	11,313.45

*Non-current assets are excluding financial instruments and deferred tax assets.

Major customers comprising more than 10% of total revenue

INR in million

	Year ended 31 March 2017	Year ended 31 March 2016
Jubilant Cadista Pharmaceuticals Inc.	1684.80	1249.51
Jubilant Pharma Trading Inc.	1137.28	1165.88

30. 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) and divided by Total 'equity' (as shown in the Balance Sheet).

The gearing ratios were as follows:

INR in million

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Net debt	753.07	8,606.18	12,154.87
Total equity	22,288.84	8,932.70	5,440.80
Net debt to equity ratio	**0.03**	**0.96**	**2.23**

31. Related Party Disclosures

i) Related parties of the Company

Ultimate Holding Company
Jubilant Life Sciences Limited

Holding Company
Jubilant Pharma Limited

Fellow Subsidiaries
Jubilant HollisterStier LLC
Jubilant Biosys Limited
Jubilant Cadista Pharmaceuticals Inc.
Jubilant Chemsys Limited

Jubilant Clinsys Limited
Jubilant DraxImage Inc.
Jubilant Pharma Holdings Inc.
Jubilant Pharma Trading Inc.
Jubilant Life Sciences (USA) Inc.
Jubilant Clinsys Inc.
Jubilant Infrastructure limited

Subsidiary
Jubilant Pharma NV

Step-down Subsidiaries
Jubilant Pharmaceuticals NV
PSI Supply NV

Other Entities
Jubilant HollisterStier General Partnership
Jubilant Agri and Consumer Products Limited
Vam Employees Provident Fund Trust

Key Management Personnel
Mr. Amit Chaurasia (Company Secretary)

Directors
Mr. Shyamsundar Bang (Ceased with effect from 10 October 2016
Mr. Hari S. Bhartia (Ceased with effect from 10 October 2016
Mr. Shyam S. Bhartia (Ceased with effect from 25 September 2015)
Mr. R. Sankaraiah
Mr. Gurpartap Singh Sachdeva (Appointed with effect from 27 October 2015)
Mr. Shyam Nath Singh (Appointed with effect from 29 September 2015)
Ms. Sudha Pillai (Appointed with effect from 29 September 2015)

INR in million

Sr.No	Particulars	For the year ended		
	Description of Transactions:	**31 March 2017**	**31 March 2016**	**1 April 2015**
1	**Sales of Goods and Services:**			
	Jubilant Cadista Pharmaceuticals Inc.	1,684.80	1,249.51	1,054.06
	Jubilant Chemsys Limited	-	0.02	0.02
	Jubilant DraxImage Inc.	1.75	1.03	2.23
	Jubilant Pharma Trading Inc.	1,137.28	1,165.88	1,007.96
	Jubilant HollisterStier General Partnership	5.39	9.46	-
	Jubilant HollisterStier LLC	1.42	-	-
	PSI Supply NV	155.19	160.95	208.13
	Jubilant Life Sciences Limited	7.69	52.53	19.04
	Jubilant Pharmaceuticals NV	-	18.95	8.35
		2,993.52	**2,658.33**	**2,299.79**
2	**Rental and Other Expenses:**			
	Jubilant Clinsys Limited	-	-	0.11
	Jubilant Life Sciences Limited	55.34	51.98	43.48
		55.34	**51.98**	**43.59**
3	**Purchase of Goods and Services:**			
	Jubilant Life Sciences Limited	65.80	52.44	52.87
	Jubilant HollisterStier General Partnership	42.03	-	25.09
	Jubilant HollisterStier LLC	28.03	-	-
	Jubilant Life Sciences Limited		4.52	2.81
	Jubilant Chemsys Limited	0.51	0.88	-
	Jubilant Biosys Limited	0.94	0.52	-
	Jubilant Pharmaceuticals NV	5.49	8.52	0.22
		142.80	**66.88**	**80.99**
4	**Interest expense**			
	Jubilant Life Sciences Limited	-	18.63	416.19
	Jubilant Pharma Limited	743.32	520.92	389.62
		743.32	**539.55**	**805.81**
5	**Interest income**			
	Jubilant Life Sciences Limited	126.43	-	-
		126.43	**-**	**-**
6	**Sale of Merchandise Exports from India Scheme scrip:**			
	Jubilant Life Sciences Limited	291.75	20.83	-
		291.75	**20.83**	**-**
7	**Business purchase consideration:**			
	Jubilant Life Sciences Limited (net of debts of INR 3,923 million) – refer note 28	-	-	9,293.00
		-	**-**	**9,293.00**
8	**Issue of 12% Unsecured compulsorily convertible debentures:**			
	Jubilant Pharma Limited		-	4,341.00
		-	**-**	**4,341.00**
9	**Issue of 8% Unsecured compulsorily convertible debentures:**			
	Jubilant Pharma Limited	9,330.70	-	-
		9,330.70	**-**	**-**
10	**Conversion of compulsorily convertible debentures into equity share capital:**			
	Jubilant Pharma Limited	13,671.70	-	-
		13,671.70	**-**	**-**

INR in million

Sr.No	Particulars	For the year ended		
	Description of Transactions:	**31 March 2017**	**31 March 2016**	**1 April 2015**
11	**Inter-corporate deposit to group company**			
	Jubilant Life Sciences Limited	3,250.00		
		3,250.00	**-**	**-**
12	**Recovery of Expenses:**			
	Jubilant HollisterStier General Partnership	19.30	7.64	1.89
	Jubilant HollisterStier LLC	33.86	12.89	3.49
	Jubilant Life Sciences Limited	4.36	8.13	-
	Jubilant Cadista Pharmaceuticals Inc.	17.37	9.94	1.09
	Jubilant Chemsys Limited	13.69	7.56	3.27
	Jubilant DraxImage Inc.	9.92	3.78	0.80
	Jubilant Pharma Holdings Inc.	-	-	1.09
	Jubilant Pharma Limited	1.72	3.46	0.29
	Jubilant Pharmaceuticals NV	-	-	-
	Jubilant Agri and Consumer Products Limited	3.81	4.10	2.12
		104.03	**57.50**	**14.04**
13	**Purchase of investments**			
	Jubilant Life Sciences Limited (net of debts of INR 1,897	-	-	2,158.00
		-	**-**	**2,158.00**
14	**Purchase of fixed assets:**			
	Jubilant Chemsys Limited	-	-	0.20
	PSI Supply NV	-	0.05	-
	Jubilant Cadista Pharmaceuticals Inc.	-	1.99	-
	Jubilant Oil & Gas Private Limited	-	0.13	-
	Jubilant Infrastructure limited	0.02	-	-
		0.02	**2.17**	**0.20**
15	**Sale of fixed assets:**			
	Jubilant Cadista Pharmaceuticals Inc.	13.11	-	-
		13.11	**-**	**-**
16	**Reimbursement of Expenses:**			
	Jubilant HollisterStier General Partnership	4.65	0.35	0.01
	Jubilant HollisterStier LLC	-	-	23.79
	Jubilant Biosys Limited	-	-	0.20
	Jubilant Cadista Pharmaceuticals Inc.	212.80	25.78	31.60
	Jubilant Clinsys Limited		-	0.40
	Jubilant DraxImage Inc.	0.43	2.81	4.14
	Jubilant Chemsys Limited	0.41	0.42	-
	Jubilant Life Sciences Limited	204.63	194.29	201.22
	Jubilant Pharmaceuticals NV	31.59	50.64	94.36
	PSI Supply NV	0.14	2.25	5.58
	Jubilant Clinsys Inc.		-	0.16
	Jubilant Pharma Holdings Inc.	121.17	128.24	-
	Jubilant Life Sciences (Shanghai) Ltd		0.15	-
		575.82	**404.93**	**361.46**
17	**Remuneration and Related Expenses:**			
	Mr. Amit Chaurasia	2.97	2.60	1.77
		2.97	**2.60**	**1.77**

INR in million

Sr.No	Particulars	For the year ended		
	Description of Transactions:	**31 March 2017**	**31 March 2016**	**1 April 2015**
18	**Sitting fees:**			
	Mr. Shyam Nath Singh	0.44	0.21	-
	Ms. Sudha Pillai	0.38	0.18	-
		0.81	**0.38**	-
19	**Company's Contribution to PF Trust :**			
	Vam Employee Provident Fund Trust	46.50	39.79	29.86
		46.50	**39.79**	**29.86**
20	**Issue of equity share capital (including securities premium)**			
	Jubilant Pharma Limited		2,991.60	4,117.40
		-	**2,991.60**	**4,117.40**

INR in million

Sr.No	Particulars	For the year ended		
		31 March 2017	**31 March 2016**	**1 April 2015**
1	**Amount Outstanding:**			
	Trade and other payables:			
	Jubilant Cadista Pharmaceuticals Inc.	162.30	32.77	2.58
	Jubilant Clinsys Limited	-	20.66	20.66
	Jubilant Chemsys Limited	-	0.16	-
	Jubilant DraxImage Inc.	3.36	14.00	13.88
	Jubilant HollisterStier General Partnership	17.41	23.73	22.70
	Jubilant HollisterStier LLC	19.90	25.11	23.69
	Jubilant Pharma Trading Inc.	-	-	-
	Jubilant Life Sciences Limited	23.39	10.55	42.50
	Jubilant Pharma Holdings Inc.	243.00	128.14	-
	Jubilant Biosys Limited	0.70	0.47	-
	Jubilant Pharmaceuticals NV	32.98	76.65	109.25
	PSI Supply NV	16.25	17.55	13.47
	Jubilant Life Sciences (USA) Inc.	36.28	19.90	18.78
	Vam Employees Provident Fund Trust	11.23	9.22	8.78
		566.80	**378.91**	**276.29**
2	**12% unsecured compulsorily convertible debentures:**			
	Jubilant Pharma Limited	-	4,341.00	4,341.00
		-	**4,341.00**	**4,341.00**
3	**Interest payable:**			
	Jubilant Pharma Limited	48.67	178.45	109.18
	Jubilant Life Sciences Limited	-	371.53	374.58
		48.67	**549.98**	**483.76**
4	**Interest receivable:**			
	Jubilant Life Sciences Limited	21.12	-	-
		21.12	-	-
5	**Payable against purchase of business:**			
	Jubilant Life Sciences Limited	-	-	4,153.43
		-	**-**	**4,153.43**
6	**Receivable against inter corporate deposit**			
	Jubilant Life Sciences Limited	3,250.00	-	-
		3,250.00	-	-
7	**Trade and other receivables:**			
	Jubilant Cadista Pharmaceuticals Inc.	175.75	295.56	559.87
	Jubilant Chemsys Limited	-	7.43	-
	Jubilant Clinsys Limited	-	1.89	1.89
	Jubilant DraxImage Inc.	4.81	1.09	2.27
	Jubilant HollisterStier General Partnership	5.25	18.98	1.76
	Jubilant HollisterStier LLC	18.68	16.70	3.48
	Jubilant Pharma Holdings Inc.	-	-	1.09
	Jubilant Life Sciences Limited	9.57	47.43	19.04
	Jubilant Pharma Limited	-	-	0.15
	Jubilant Pharma Trading Inc.	124.19	100.87	296.60
	Jubilant Life Sciences (USA) Inc.	16.80	-	-
	Jubilant Pharmaceuticals NV	17.67	52.51	67.68
	PSI Supply NV	127.15	99.83	82.42
	Jubilant Agri and Consumer Products Limited	1.89	1.88	0.22
		501.76	**644.17**	**1,036.47**

32. Contingent liabilities and contingent assets

Contingent liabilities to the extent not provided for:

A. **Claims against Company, disputed by the Company, not acknowledged as debt:**

(INR in million)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Service Tax	22.85	244.32	242.63
Central Excise	4.65	4.65	4.73
Customs	0.08	0.08	0.83
DGFT	25.08	-	-

*Including claims in respect of business acquired in previous year from Jubilant Life Sciences Limited (refer note 28) though the litigations may be continuing in the name of Jubilant Life Sciences Limited, however any liability arising in future relating to these disputes will be borne by the Company.

Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/ or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The Company believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

33. On cash transaction on specified notes

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

(INR in million)

	Specified Bank Notes	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	0.22	0.60	0.82
(+) Permitted receipts	-	2.56	2.56
(-) Permitted payments	-	(2.48)	(2.48)
(-) Amount deposited in Banks	(0.22)	-	(0.22)
Closing cash in hand as on 30.12.2016	**-**	**0.68**	**0.68**

34. Commitments as at year end

a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (Net of advances) is INR 350.98 million (31 March 2016: INR 167.99 million, 1 April 2015: INR 92.24 million).

b) Leases:

i) The Company's significant operating lease arrangements are in respect of premises (offices, godowns etc.). These leasing arrangements, which are cancellable, range between 11 months and 3 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Rental expense recognised under such leases are INR 34.77 million (31 March 2016: 34.59 INR 1 April 2015: 28.96 million).

ii) Assets acquired under finance lease:

The Company has taken vehicles under finance lease. Future minimum lease payments and their present values under finance leases are as follows:

(INR in million)

Particulars	Minimum lease payments			Present value of minimum lease payments			Future interest		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Not later than one year	4.19	3.50	1.75	2.91	2.63	1.44	1.28	0.87	0.31
Later than one year but not later than five years	9.67	6.03	1.76	7.96	5.04	1.54	1.70	0.99	0.22
Later than five years	-	-	-	-	-	-	-	-	-

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.

c) Other Commitments:

i) Exports obligation undertaken by the Company under EPCG scheme to be completed over a period of six years on account of import of Capital Goods at concessional import duty and remaining outstanding is INR 118.11 million (31 March 2016: INR 85.25 million, 1 April 2015: INR 77.34 million). Similarly, export obligation under Advance License Scheme/DFIA scheme on duty free import of specific raw materials, remaining outstanding is INR 1,154.96 million (31 March 2016: INR 1021.67 million, 1 April 2015: INR 1,199.89 million).

35. Employee Stock Option Scheme

Jubilant Life Sciences Limited (JLSL), the ultimate holding company, is entitled to grant stock options to the employees of its subsidiaries under the following stock option plans:

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

The terms and conditions and other required disclosures of the above mentioned stock options plans is set out below:

Under Plan 2005, as amended, and under Plan 2011, options are to be granted at market price. As per the SEBI Guidelines applicable to JLSL the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest.

Under Plan 2005, each option, upon vesting, shall entitle the holder to acquire five equity shares of INR 1 each. Options granted up to 28 August 2009 will vest entirely within two years from the grant date, with certain lock-in provisions. Options granted after 28 August 2009 will vest gradually over a period of 5 years from the grant date, without any lock-in provisions.

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

Summary of vesting and lock-in provisions are given below:

Plan 2005						Plan 2011		
Vesting schedule (With lock in) Applicable for grants made up to 28 August 2009			Vesting schedule (Without lock in) Applicable for grants made after 28 August 2009			Vesting schedule		
% of options scheduled to vest	Vesting Date	Lock-in period	% of options scheduled to vest	Vesting date	Lock-in period	% of options scheduled to vest	Vesting date	Lock-in period
10	1 year from grant date	Nil	10	1 year from grant date	Nil	20	1 year from grant date	Nil
15	2 years from grant date	Nil	15	2 years from grant date	Nil	30	2 years from grant date	Nil
20	2 years from grant date	1 year from vesting date	20	3 years from grant date	Nil	50	3 years from grant date	Nil
25	2 years from grant date	2 years from vesting date	25	4 years from grant date	Nil			
30	2 years from grant date	3 years from vesting date	30	5 years from grant date	Nil			

The movement of the stock options issued to the employees of the Company under both the plans as at the end of the year is set out below:

Under Plan 2005

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Number of options	Weighted average exercise price (INR)	Number of options	Weighted average exercise price (INR)
Outstanding at the beginning of the year	3100.00	244.76	12600.00	254.80
Exercised during the year	(2200.00)	250.02	(8700.00)	254.64
Forfeited during the year	(800.00)	221.60	(800.00)	295.35
Outstanding at the end of the year	100.00	314.35	3100.00	244.76
Exercisable at the end of the year	100.00	314.35	3100.00	244.76

** The Board has decided that no further grants will be made under Plan 2005.*

Under Plan 2011

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Number of options	Weighted average exercise price (INR)	Number of options	Weighted average exercise price (INR)
Outstanding at the beginning of the year	56620.00	216.05	163574.00	210.10
Transfer of employee from JLSL	-	-	1542.00	220.90
Exercised during the year	(37680.00)	216.30	(55082.00)	207.76
Forfeited during the year	(1340.00)	220.90	(53414.00)	206.52
Outstanding at the end of the year	17600.00	215.14	56620.00	216.05
Exercisable at the end of the year	17600.00	215.14	26978.00	210.72

Fair value of option granted

The weighted average fair value of options granted during the year ended 31 March 2017 for Plan 2005 and Plan 2011 were INR 94.18 and INR 84.90 respectively. The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The following tables list the inputs to models used for fair valuation of two plans:

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

Expense arising from share-based payment transaction

The expenses arising from share-based payment transaction recognised in profit or loss as part of employee benefit expense for the year ended 31 March 2017 and 31 March 2016, were INR Nil million and INR 2.79 million respectively

36. Hedging and derivatives instruments:

(i) The Company uses various derivative instruments such as foreign exchange forward contracts, currency and interest rate swaps to selectively hedge its exposures to movement in foreign exchange rates and interest rates. These derivatives instruments are not used for speculative or trading purposes.

The following are the outstanding derivative contracts entered into by the Company:

Category	Currency	Cross Currency	Amount (in million)		Buy/Sell
As at 31 March 2017:					
Forward Contracts	USD	INR	USD	-	-
As at 31 March 2016:					
Forward Contracts	USD	INR	USD	-	-
As at 1 April 2015:					
Forward Contracts	USD	INR	USD	29.00	Sell

37. Earnings per share

		Year ended 31 March 2017	Year ended 31 March 2016
Profit for basic earnings per share of INR 10 each	**INR in million**	**2,486.69**	**504.25**
Weighted average number of equity shares used in computing earnings per share:			
For basic earnings per share	**Nos**	**14,50,685**	**10,89,690**
For diluted earnings per share:			
Profit for basic earnings per share of INR 10 each	**INR in million**	**2,486.69**	**504.25**
Add: Interest on compound financial instrument charged to the statement of profit and loss	INR in million	332.61	520.92
Adjustable net profit after tax	**INR in million**	**2,819.30**	**1,025.17**
No. of shares for basic earnings per share	Nos	14,50,685	10,89,690
Add: Potential dilutive effect of compound financial instrument	Nos	7,58,046	5,59,120
No. of shares for diluted earnings per share	**Nos**	**22,08,731**	**16,48,810**
Earnings per share (face value of INR 10 each)			
Basic	INR	1,714.15	462.75
Diluted*	INR	1,276.44	462.75

* as the effect of compound financial instrument on earning per share is anti-dilutive, therefore diluted earning per share is same as basic earning per share for the year ended 31 March 2016.

38. 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.

39. 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 significant accounting policies set out in note 2 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

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

1. Business combinations

Ind AS 101 provides the option to apply Ind AS 103 "Business Combinations" prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

2. Deemed cost

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.

3. De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Ind AS mandatory exceptions

1. 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:

- Impairment of financial assets based on expected credit loss model
- Determination of the discounted value for financial instruments carried at amortised cost.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.
Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

B: Reconciliations between previous GAAP and Ind AS

Reconciliation of equity

INR in million

		As at date of transition 1 April 2015			As at 31 March 2016		
	Notes	**Previous GAAP ***	**Effectes of transition to Ind AS**	**Ind AS**	**Previous GAAP ***	**Effectes of transition to Ind AS**	**Ind AS**
ASSETS							
Non-current assets							
Property, plant and equipment	1	6,064.85	18.14	6,082.99	5,702.17	28.81	5,730.98
Capital work-in-progress		60.44	-	60.44	160.52	5.09	165.61
Other intangible assets		2,394.41	-	2,394.41	2,329.43	-	2,329.43
Intangible assets under development		2,723.10	-	2,723.10	2,807.63	75.95	2,883.58
Financial assets							
i. Investments		4,055.00	-	4,055.00	4,055.00	-	4,055.00
ii. Loans		36.94	-	36.94	37.87	-	37.87
Income tax asset (net)		3.79	-	3.79	6.13	-	6.13
Other non-current assets	5	43.73	(31.95)	11.78	68.22	(65.26)	2.96
Total non-current assets		**15,382.26**	**(13.81)**	**15,368.45**	**15,166.97**	**44.59**	**15,211.56**
Current assets							
Inventories		1,878.32	(15.30)	1,863.02	2,122.20	(18.14)	2,104.06
Financial assets							
iii.Trade receivables		2,082.08	-	2,082.08	2,316.06	-	2,316.06
iii. Cash and cash equivalents		24.67	-	24.67	34.46	-	34.46
iv. Bank balances other than (iii)		-	-	-	3.60	-	3.60
v. Loans		1.10	-	1.10	1.69	-	1.69
vi. Other financial assets	3	61.58	10.15	71.73	95.87	-	95.87
Other current assets	5	370.34	(19.14)	351.20	679.26	(40.79)	638.47
Total current assets		**4,418.09**	**(24.29)**	**4,393.80**	**5,253.14**	**(58.93)**	**5,194.21**
Total assets		**19,800.35**	**(38.10)**	**19,762.25**	**20,420.11**	**(14.34)**	**20,405.77**

Reconciliation of equity (continued)

INR in million

	Notes	As at date of transition 1 April 2015			As at 31 March 2016		
		Previous GAAP *	Effectes of transition to Ind AS	Ind AS	Previous GAAP *	Effectes of transition to Ind AS	Ind AS
EQUITY AND LIABILITIES							
Equity							
Equity share capital		9.23	-	9.23	13.08	-	13.08
Equity component of compound financial instruments	7	-	1,970.39	1,970.39	-	1,970.39	1,970.39
Other equity		3,287.89	173.29	3,461.18	6,460.54	488.70	6,949.24
Total equity	39 D	**3,297.12**	**2,143.68**	**5,440.80**	**6,473.62**	**2,459.08**	**8,932.71**
LIABILITIES							
Financial Liabilities							
i. Borrowings	5	7,671.72	(2,167.14)	5,504.58	8,191.62	(2,446.27)	5,745.35
ii. Other financial liabilities							
Provisions		165.30	-	165.30	173.13	-	173.13
Other non-current liabilities		81.52	4.55	86.07	101.34	13.70	115.04
Total non-current liabilities		**7,918.54**	**(2,162.59)**	**5,755.95**	**8,466.10**	**(2,432.58)**	**6,033.52**
Current liabilities							
Financial liabilities							
i. Borrowings	5	1,458.90	(19.19)	1,439.71	2,538.59	(40.85)	2,497.74
ii. Trade payables		1,206.24	-	1,206.24	1,620.92	-	1,620.92
iii. Other financial liabilities		5,756.11	-	5,756.11	1,101.71	-	1,101.71
Other current liabilities		143.69	-	143.69	157.77	-	157.77
Provisions		19.75	-	19.75	13.66	-	13.66
Current tax liabilities		-	-	-	47.74	-	47.74
Total current liabilities		**8,584.69**	**(19.19)**	**8,565.50**	**5,480.39**	**(40.85)**	**5,439.54**
Total equity and liabilities		**19,800.35**	**(38.10)**	**19,762.25**	**20,420.11**	**(14.34)**	**20,405.77**

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

C: Reconciliation of total comprehensive income for the year ended 31 March 2016

INR in million

	Notes	Year ended 31 March 2016		
		Previous GAAP *	**Adjustment on transition to Ind AS**	**Ind AS**
Continuing operations				
Revenue from operations		9,155.64		9,155.64
Other income	3	51.48	(9.30)	42.18
Total income		**9,207.12**	**(9.30)**	**9,197.82**
Expenses				
Cost of materials consumed		3,524.70		3,524.70
Purchases of stock in trade		30.38		30.38
Change in inventories of work-in-progress, stock-in-trade and finished goods		(182.55)		(182.55)
Excise duty		93.77		93.77
Employee benefit expense		1,219.54	(3.96)	1,215.58
Finance costs	5, 7	1,096.61	(326.87)	769.74
Depreciation amortisation expense and impairment		1,390.30	2.18	1,392.48
Other expenses		1,801.73		1,801.73
Total expenses		**8,974.48**	**(328.65)**	**8,645.83**
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax		**232.64**	**319.35**	**551.99**
Income tax expense				
- Current tax		47.74		47.74
Total tax expense		**47.74**	**-**	**47.74**
Profit for the year		**184.90**	**319.35**	**504.25**
Other comprehensive income for the year, net of tax	4	-	(6.73)	(6.73)
Total comprehensive income for the year		-	(6.73)	(6.73)

D: Reconciliation of total equity as at 31 March 2016 and 1 April 2015

INR in million

Particulars	31 March 2016	1 April 2015
Total equity reported under previous GAAP		
Equity share capital	13.08	9.23
Other equity	6,460.54	3,287.89
Total equity reported under previous GAAP	**6,473.62**	**3,297.12**
Equity component of compound financial instruments	1,970.39	1,970.39
Finance cost component of compound financial instruments	405.03	159.21
Incremental capitalisation of finance cost	81.04	-
Others*	2.63	14.08
Now reported under Ind AS	**8,932.71**	**5,440.80**

*Others includes depreciation/amortisation on incremental borrowing cost, insurance spares and government grant capitalised, revenue recognition on government grants and exchange gain/(loss) on mark-to market forward contracts.

E. Statement of Cash Flows

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: Incremental capitalization of finance cost

Under the previous GAAP, capitalization of finance cost by applying avoidable interest cost method on certain specific borrowings was not permitted. Under Ind AS, the same is eligible for capitalization. The resulting capitalization of interest in property, plant and equipment, capital work-in-progress and intangible assets under development have been recognized in the statement of profit and loss for the year ended 31 March 2016. This increased the retained earnings by INR 81.04 million as at 31 March 2016.

Note 2: 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 6.73 million. There is no impact on the total equity as at 1 April 2015 and 31 March 2016.

Note 3: Mark-to-market gain recognition on Derivative contracts

Recognition of unrealized mark-to-market gain of INR 10.15 million as at 1 April 2015 on forward contracts which was not permitted under previous GAAP. The amount was realised during the year ended 31 March 2016.

Note 4: 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' includes change in fair value of investments which are classified at fair value through OCI and re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 5: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Accordingly borrowings as at 31 March 2016 have been reduced by INR 54.96 million (1 April 2015: INR 51.14 million with corresponding credit to other assets)

Note 6: Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2016 by INR 93.77 million. There is no impact on the total equity and profit.

Note 7: Exceptional items

Exceptional items have been reclassified to the respective heads to conform to Ind AS classifications.

Note 7: Compound financial instrument

Under Ind AS, Compound Financial Instruments that contain both a liability and an equity elements are classified into separate component parts and recognised separately. Accordingly, the company has in respect of the convertible debentures issued by it recognised the obligation to repay the bonds as liability and the option to convert as an equity.

There was no such requirement under the previous GAAP and the whole instrument was being carried as liability.

Accordingly, the equity component of the compulsorily convertible debenture amounting to INR 1,970.39 million in the year ended 31 March 2016 (1 April 2015- INR 1,970.39 million) has been recognised as other equity in statement of changes in equity, balance as liability under long term borrowings of INR 1,680.61 million as at 31 March 2016 (as at 1 April 2015 INR 1,959.99 million) and under other financial liability INR 279.38 million as at 31 March 2016 (as at 1

April 2015 INR 245.83 million). The profit for the year ended 31 March 2016 has increased by INR 245.83 million on account of reduction in the interest costs. The total equity has increased by INR 1,970.30 million in the year ended 31 March 2016 (as at 1 April 2015 INR 1,970.30 million).

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

For and on behalf of the Board of Directors of
Jubilant Generics Limited

Pravin Tulsyan
Partner
Membership No.: 108044

R. Sankaraiah
Director
DIN: 00025022

Gurpartap Singh Sachdeva
Director
DIN: 07288795

Place: Noida
Date: 22 May 2017

Amit Chaurasia
Company Secretary

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of financial statements of subsidiary/ associates/ joint ventures as per Companies Act, 2013

PART "A" : SUBSIDIARIES

(INR in million)
Foreign Currencies in absolute terms

Sr. No.	Name of the subsidiary	Date since when subsidiary was acquired / incorporated	Reporting currency	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments (4)	Turnover / Total income	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% of shareholding
1	Jubilant Pharma NV	27 May 2004	EUR	1,61,80,000	17,78,012	1,79,98,027	40,015	-	-	(7,060)	-	(7,060)	Nil	77.65%
			INR	894.14	350.17	1,247.08	2.77	-	-	(0.53)	-	(0.53)	Nil	
2	Jubilant Pharmaceuticals NV	28 May 2004	EUR	10,50,300	(14,63,356)	11,33,342	15,46,398	-	4,84,579	65,231	32	65,199	Nil	77.50%
			INR	63.95	(92.57)	78.53	107.15	-	35.12	4.36	0.01	4.35	Nil	
3	PSI Supply NV	28 May 2004	EUR	6,65,000	(2,76,406)	22,41,710	18,53,116	-	29,94,021	1,08,623	17	1,08,606	Nil	77.26%
			INR	43.37	(16.45)	155.33	128.41	-	219.50	7.29	-	7.29	Nil	

Notes:

1) Reporting period of all the Subsidiary Companies is 1 April 2016 to 31 March 2017.
2) Converted into Indian Rupees at the exchange rate as on 31 March 2017 : 1EUR = INR 69.29
3) The above statement excludes inter company eliminations.
4) Excludes investment in subsidiaries.
5) Jubilant Pharmaceuticals NV and PSI Supply NV are Step-down subsidiaries

Names of Subsidiaries which are yet to commence operations: Nil

Names of Subsidiaries which have been liquidated or sold during the year: Nil

PART "B" : ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

				Shares of Associate/Joint Ventures held by the company on the year end						Profit/Loss for the year	
Sr. No.	Name of Associates/Joint Ventures	Latest audited Balance Sheet date	Date on which Associate or Joint Venture was associated or acquired	No.	Amount of Investment in Associates/ Joint Venture (INR in million)	Extend of Holding %	Description of how there is significant influence	Net worth attributable to shareholding as per latest audited Balance Sheet (INR in million)	Reason why the associate/ joint venture is not consolidated	Considered in consolidation (INR in million)	Not considered in consolidation (INR in million)

Not applicable, as there are no Associates/Joint ventures

1. Names of associates or joint ventures which are yet to commence operations : Nil
2. Name of associates or joint ventures which have been liquidated or sold during the year : Nil

For and on behalf of the Board of Directors of Jubilant Generics Limited

Place: Noida	**Amit Chaurasia**	**R. Sankaraiah**	**Gurpartap Singh Sachdeva**
Date : 22 May 2017	Company Secretary	Director	Director
		DIN: 00025022	DIN: 07288795