

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of **Jubilant Clinsys Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Jubilant Clinsys Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing 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 financial statements are free from material misstatement.



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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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".



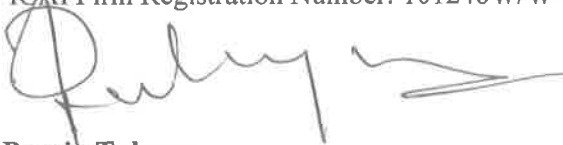
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- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 24(b) to the 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.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022



Pravin Tulsyan

Partner

Membership No.: 108044

Place: Noida

Date: 27 April 2016

Annexure A to the Independent Auditor's Report

The Annexure A referred to in our report to the members of the Company for the year ended 31 March 2016. We report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the books of account, there are no immovable properties held by the Company. Accordingly, paragraph 3(i) (c) of the order is not applicable.
- (ii) According to the information and explanations given to us and on the basis of our examination of the books of account, there is no inventory held by the Company. Accordingly, paragraph 3(ii) of the order is not applicable.
- (iii) According to the information and explanations given to us, the Company, during the current year, has not granted any loans, secured or unsecured, to companies covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, in respect of loans given by the Company, the provisions of section 186 of the Act have been complied with. As informed to us, the Company has not made any investment or provided any guarantee or security as specified under Section 185 and 186 of the Act.
- (v) Based on our examination of books of accounts and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us and pursuant to the rules specified by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, the Company is not required to maintain cost records. Accordingly, paragraph 3(vi) of the order is not applicable.
- (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, income-tax, service tax, and other material statutory dues have generally been regularly deposited with the appropriate authorities. As explained to us, the company did not have any dues on account of Sales tax, duty of Customs, duty of Excise, Value added tax and wealth tax.



According to the information and explanations given to us, no amounts payable in respect of undisputed statutory dues including provident fund, income-tax, service tax and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of service tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount involved* (Rs. 000)	Amount paid under protest (Rs. 000)	Financial year to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	52,313	2,328	2008-2013	CESTAT, Allahabad
		3,301	-	2010-2011	CESTAT, New Delhi
		78	-	2007-2010	Assistant Commissioner

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

- (viii) Based on our examination of books of account and according to the information and explanations given to us, the Company did not have any loans or borrowings from financial institution, bank, government or dues to debenture holders during the year. Accordingly, paragraph 3(viii) of the order is not applicable.
- (ix) Based on our examination of books of account and according to the information and explanations given to us, the Company did not have any term loans during the year. As informed to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- (x) Based on our examination of the books of account and 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.
- (xi) Based on our examination of the books of account and according to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act.
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) Based on our examination of the books of account and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.



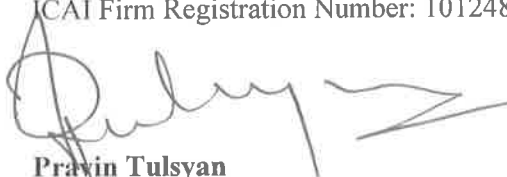
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- (xiv) Based on our examination of the books of account and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with a directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022



Pravin Tulsyan

Partner

Membership No.: 108044

Place: Noida

Date: 27 April 2016

Annexure B to the Independent Auditor's Report

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 the Company as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

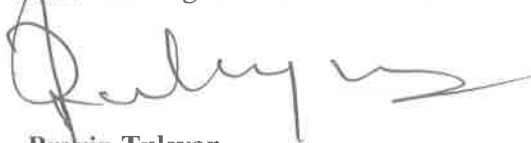
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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: 27 April 2016

Jubilant Clinsys Limited
Balance Sheet as at 31 March 2016

(Rs. '000)

	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	290,498	290,498
Reserves and surplus	4	(1,945)	3,156
		288,553	293,654
Non-current liabilities			
Long-term provisions	5	1,981	1,780
		1,981	1,780
Current liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	27	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		24,527	22,696
Other current liabilities	6	34,596	10,406
Short-term provisions	7	879	4,258
		60,002	37,360
Total		350,536	332,794
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	2,590	4,655
Intangible assets	9	548	1,280
Long-term loans and advances	10	36,835	36,140
Other non-current assets	11	2,766	1,783
		42,739	43,858
Current assets			
Trade receivables	12	91,398	91,799
Cash and bank balances	13	21,858	7,401
Short-term loans and advances	14	193,750	187,195
Other current assets	15	791	2,481
		307,797	288,936
Total		350,536	332,794
Significant accounting policies			
Notes to the financial statements			
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached

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

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 27 April 2016

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

Shyam Nath Singh
Director
DIN: 00010530

Sanjay Jain
Chief Financial Officer

Munish Kumar Kaushik
Managing Director
DIN: 00146345

Vinit Kumar
Company Secretary

Jubilant Clinsys Limited
Statement of Profit and Loss for the year ended 31 March 2016

		(Rs. '000)	
	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
REVENUE			
Revenue from operations	16	20,280	55,131
Other operating revenue		-	425
		20,280	55,556
Other income	17	5,255	6,006
Total Revenue		25,535	61,562
EXPENSES			
Employee benefits expense	18	14,031	22,967
Depreciation and amortisation expense	8, 9	2,797	5,395
Finance costs	19	311	17
Other expenses	20	6,465	14,100
Total Expenses		23,604	42,679
Profit before exceptional items and tax		1,931	18,883
Exceptional items	21	7,032	(3,698)
(Loss)/ Profit before tax		(5,101)	22,581
Tax Expense:			
- Current tax		-	4,518
- MAT Credit/ reversal for previous year		-	16,949
- Deferred tax expense		-	1,138
		-	22,605
Loss for the year		(5,101)	(24)
Basic Earnings Per Share of Rs 10 each (In Rupees)	34	(2.55)	(0.02)
Diluted Earnings Per Share of Rs 10 each (In Rupees)	34	(2.55)	(0.02)
Significant accounting policies	2		
Notes to the financial statements	1-37		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration No 101248W/W-106022

Pravin Tulsyan
Partner
Membership No 108044

Place: Noida
Date : 27 April 2016

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

Shyam Nath Singh
Director
DIN:00010530

Sanjay Jain
Chief Financial Officer

Monish Kumar Kaushik
Managing Director
DIN:07146345

Vinit Kumar
Company Secretary

Jubilant Clinix Limited
Cash Flow Statement for the year ended 31 March 2016

(Rs. '000)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A. Cash flows arising from operating activities :		
Net (loss)/ profit before tax	(5,101)	22,581
Adjustments for:		
Depreciation and amortisation	2,797	5,595
Finance costs	311	17
Bad debts/irrecoverable advances written off (net of write-in)	-	130
Unrealised gain on exchange fluctuation-net	(14,229)	(10,561)
Interest income	(5,255)	(5,931)
Operating cash flows before working capital changes	(21,477)	11,831
Adjustments for:		
Decrease in trade and other receivables	2,192	367
Increase/ (decrease) in current liabilities and provisions	25,393	(26,089)
Cash generated from/ (used in) operations	6,108	(13,891)
Direct taxes paid (net of refunds)	(4,310)	(1,671)
Net cash generated from/ (used in) operating activities	1,798	(15,562)
B. Cash flows from investing activities :		
Acquisition/purchase of fixed assets	-	(110)
Sale proceeds of fixed assets	-	37
Loan repaid by/ (loan given to) ultimate holding company	3,500	(5,000)
Movement in other bank balances	(8,684)	15,151
Interest received	10,755	5,724
Net cash generated from investing activities	5,571	15,802
C. Cash flows from financing activities :		
Finance Costs paid	(311)	(17)
Net cash used in financing activities	(311)	(17)
Net increase in cash and cash equivalents (A+B+C)	7,058	223
Add: cash and cash equivalents at the beginning of the year	2,338	2,115
Cash and cash equivalents at the end of the year	9,396	2,338

Notes:

i) Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 (AS-3) "Cash Flow Statements"

As per our report of even date attached

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

Prakash Tulyan
Partner
Membership No. 108044

Place: Noida
Date: 27 April 2016

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

Shyam Nath Singh
Director
DIN: 00010530

Munish Kumar Kaushik
Managing Director
DIN: 07146345

Sanjay Jain
Chief Financial Officer

Vinit Kumar
Company Secretary

Jubilant Clinsys Limited

Notes to the financial statements for the year ended 31 March 2016

1. Corporate information

Jubilant Clinsys Limited (the Company) is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a scientifically focused contract research organization that provides pharmaceutical and biotechnology companies with a full range of services in support of Phase I – IV drug. The Company offers a full range of clinical research services including clinical informatics, clinical pharmacology/pathology, data management/EDC, medical affairs, regulatory services etc.

2. Significant accounting policies

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

A. Basis of preparation and presentation of financial statements

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

B. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expense and the disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting periods. Examples of such estimate include future obligations under employee benefit plans, income taxes, useful lives of tangible assets and intangible assets, impairment of assets, provision for doubtful debts etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Effect of material changes is disclosed in the notes to the financial statements.

C. Current–non-current classification

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

Assets

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

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



Jubilant Clinsys Limited

Notes to the financial statements for the year ended 31 March 2016 (Continued)

Current assets include the current portion of non-current financial assets.
All other assets are classified as non-current.

Liabilities

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

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

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

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

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

D. Tangible and intangible fixed assets

Tangible fixed assets

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

Exchange differences (favourable as well as unfavourable) arising in respect of translation/settlement of long term foreign currency borrowings attributable to the acquisition of a depreciable asset are also included in the cost of the asset.

Insurance spares/standby equipments are capitalised as part of the mother asset and are depreciated at applicable rates, over the remaining useful life of the mother assets.

Intangible fixed assets

Acquired intangible assets

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

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

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



Jubilant Clinsys Limited**Notes to the financial statements for the year ended 31 March 2016 (Continued)****E. Depreciation and amortisation**

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 lives specified in Part 'C' of Schedule II of the Companies Act, 2013 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
Computer servers and networks	5 years	6 years
Employee perquisite related assets	5 years, being the period of perquisite scheme	10 years

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

F. Impairment of fixed assets

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

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

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

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

G. Leases*Operating leases*

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



H. Income tax

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

Current tax

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

Deferred tax

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

Minimum Alternate Tax (MAT)

Minimum Alternate Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in the Guidance Note on "Accounting for Credit Available in respect of Minimum Alternative Tax under The Income Tax Act, 1961" issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

I. Foreign currency conversions/ translations

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

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

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Non monetary assets are recorded at the rates prevailing on the date of transaction.



J. Provisions, contingent liabilities and contingent assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. Contingent liabilities are disclosed in respect of possible obligations that may arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

K. Employee benefits

- (i) *Short-term employee benefits:* All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.
- (ii) *Post-employment benefits:* Post employment benefit plans are classified into defined contribution plans and defined benefit plans in line with the requirements of AS 15 on "Employee Benefits".

a. Gratuity

The 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 termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity is recognised in the books of account based on actuarial valuation by an independent actuary

b. Provident fund

Provident Fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan. Company's contribution to the Provident Fund is charged to Statement of Profit & 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.



Jubilant Clinsys Limited

Notes to the financial statements for the year ended 31 March 2016 (Continued)

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.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

Past service cost

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).

L. Revenue recognition

Clinical trial

The Company offers its clinical research services through various time and material, unit-based or fixed price contracts. Revenue from time and material contracts are recognized as hours are incurred, multiplied by contractual billing rates. Revenue from unit-based contracts is recognized as units are completed. Revenue from fixed-price contracts are recorded on a proportional completion basis. Refundable fees are deferred and recognised as revenue in the period in which all contractual obligations are met and the contingency is resolved.

Income from interest on deposits, interest bearing securities is recognized on time proportionate method.

M. Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash balance with bank, and highly liquid investments with original maturities, at the date of purchase/ investment, of three months or less.

N. Segment reporting

The accounting policies adopted for segment reporting are in line with accounting policies of the Company. Revenues, expenses, assets and liabilities have been identified to segments on the basis of their relationship to operating activities of the segments (taking into account the nature of products and services and, risks and rewards associated with them) and internal management information systems and the same is reviewed from time to time to realign the same to conform to the business units of the Company. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "Common Revenues/Expenses/Assets/Liabilities", as the case may be.



Jubilant Clinsys Limited

Notes to the financial statements for the year ended 31 March 2016 (Continued)

O. Earnings per share

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



	As at 31 March 2016	As at 31 March 2015
3. SHARE CAPITAL		
Authorized		
2,000,000 equity shares of Rs. 10 each (Previous year 2,000,000 shares of Rs. 10 each)	20,000	20,000
28,500,000 preference shares of Rs 10 each (Previous year 28,500,000 shares of Rs. 10 each)	285,000	285,000
	305,000	305,000
Issued, subscribed and paid up		
1,999,766 equity shares of Rs. 10 each (Previous year 1,999,766 shares of Rs. 10 each)	19,998	19,998
20,850,000 6% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each (Previous year 20,850,000 preference shares of Rs. 10 each)	208,500	208,500
6,200,000 8% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each (Previous year 6,200,000 preference shares of Rs. 10 each)	62,000	62,000
	290,498	290,498

Rights, obligations and preferences attached to the shares

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

b) 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 in proportion to the number of equity shares held.

c) The preference shares are convertible into equity shares at par before the expiry of 5 years from the date of allotment or as amended by the shareholder, at the option of the holder of such shares. If the option is not exercised or the tenure is not extended, the preference shares are redeemable at the expiry of 5 years from the respective date of allotments.

The date of redemption of preference share with earlier date of conversion in descending order starting from the farthest such date:

- 6% 1,500,000 preference shares are redeemable on 19 December 2020 (originally the same were redeemable on 19 December 2015)
- 6% 2,000,000 preference shares are redeemable on 18 October 2020 (originally the same were redeemable on 18 October 2015)
- 6% 1,000,000 preference shares are redeemable on 20 September 2020 (originally the same were redeemable on 20 September 2015)
- 6% 4,000,000 preference shares are redeemable on 21 May 2020 (originally the same were redeemable on 21 May 2015)
- 6% 1,250,000 preference shares are redeemable on 30 April 2020 (originally the same were redeemable on 30 April 2015)
- 6% 3,750,000 preference shares are redeemable on 17 March 2020 (originally the same were redeemable on 17 March 2015)
- 8% 1,200,000 preference shares are redeemable on 31 December 2018 (originally the same were redeemable on 31 December 2013)
- 8% 1,500,000 preference shares are redeemable on 11 July 2018 (originally the same were redeemable on 11 July 2013)
- 8% 2,000,000 preference shares are redeemable on 31 March 2018 (originally the same were redeemable on 31 March 2013)
- 8% 500,000 preference shares are redeemable on 11 January 2018 (originally the same were redeemable on 11 January 2013)
- 8% 1,000,000 preference shares are redeemable on 13 July 2017 (originally the same were redeemable on 13 July 2012)
- 6% 2,150,000 preference shares are redeemable on 29 March 2017 (originally the same were redeemable on 29 March 2012)
- 6% 1,200,000 preference shares are redeemable on 19 December 2016 (originally the same were redeemable on 19 December 2011)
- 6% 4,000,000 preference shares are redeemable on 22 June 2016 (originally the same were redeemable on 22 June 2011)

d) Particulars of shareholders holding more than 5% shares of a class of shares:	As at 31 March 2016	As at 31 March 2015
	% holding	% holding
<u>Jubilant Drug Development Pte Limited, the holding company *</u>		
1,999,760 (previous year 1,999,760) equity shares of Rs. 10 each (including 6 shares held by Jubilant Drug Development Pte Limited jointly with 6 different individuals)	99.99%	99.99%
<u>Jubilant Life Sciences Limited, the ultimate holding company</u>		
20,850,000 (previous year : 20,850,000) 6% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each	100%	100%
6,200,000 (previous year : 6,200,000) 8% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each	100%	100%

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



Jubilant Clinsys Limited

Notes to the financial statements for the year ended 31 March 2016 (Continued)

(Rs. '000)

e) The reconciliation of the number of shares outstanding:	As at 31 March 2016	As at 31 March 2015
Equity shares of Rs. 10 each		
As at the commencement and end of the year	1,999,766	1,999,766
6% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each		
As at the commencement and end of the year	20,850,000	20,850,000
8% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each		
As at the commencement and end of the year	6,200,000	6,200,000

f) The details of shares held by holding / ultimate holding company and / or their subsidiaries / associates :

Particulars	As at 31 March 2016	As at 31 March 2015
	Number of shares	
Jubilant Drug Development Pte Limited, the holding company (including 6 shares held by Jubilant Drug Development Pte Limited jointly with 6 different individuals)	1,999,766	1,999,766
Jubilant Life Sciences Limited, the ultimate holding company		
6% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each	20,850,000	20,850,000
8% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each	6,200,000	6,200,000



	As at 31 March 2016	As at 31 March 2015
4. RESERVES AND SURPLUS		
Surplus/(Deficit) as per Statement of Profit and Loss		
At the commencement of the year	3,156	5,389
Less: adjustment on account of change in depreciation (refer note 30)	-	2,209
Less: net loss for the year	(5,101)	(24)
At the end of the year	(1,945)	3,156
5. LONG TERM PROVISIONS		
Provision for employee benefits (refer note 32)	1,981	1,780
	1,981	1,780
6. OTHER CURRENT LIABILITIES		
Trade deposits and advances	32,918	9,340
Deferred revenue	-	218
Creditors for capital supplies and services	3	3
Statutory dues	59	(81)
Other payables	1,616	926
	34,596	10,406
7. SHORT-TERM PROVISIONS		
Provision for income tax (net of TDS of Rs. Nil (previous year Rs 6,393 thousands))	-	3,614
Provision for employee benefits (refer note 32)	879	644
	879	4,258



9 INTANGIBLE ASSETS



	As at 31 March 2016	As at 31 March 2015
10. LONG TERM LOANS AND ADVANCES (unsecured and considered good)		
Security deposits	6,724	6,724
Advance payment of income tax (net of provision of Rs. 10,007 thousands (previous year Rs. 6,393 thousands))	30,111	29,416
	36,835	36,140
11. OTHER NON-CURRENT ASSETS (unsecured and considered good)		
Other bank balances		
- Deposits with original maturity of more than 12 months (refer note 13) (held with government authorities as lien against import under EPCG scheme)	2,766	1,783
	2,766	1,783
12. TRADE RECEIVABLES (Unsecured)		
Outstanding for a period exceeding six months from the date they become due for payment		
Considered good	47,321	63,687
Considered doubtful	842	842
	48,163	64,529
Provision for doubtful receivables	842	842
	(A) 47,321	63,687
Other receivables		
Unsecured and considered good	(B) 44,077	28,112
Total (A+B)	91,398	91,799
13. CASH AND BANK BALANCES		
Cash and cash equivalent		
Cash on hand	2	7
Balances with banks:		
- On Current accounts	9,369	2,297
Imprest and gift vouchers	25	34
	9,396	2,338
Other bank balances:		
- Deposits with original maturity of more than 3 months but less than 12 months (Given to government authorities as lien against import under EPCG scheme)	12,462	5,123
	21,858	7,461
14. SHORT TERM LOANS AND ADVANCES (Unsecured and considered good)		
Loans to related parties (refer note 33)	46,500	50,000
Service tax credit receivable	1,044	506
Advance recoverable in cash or kind :		
- From related parties (refer note 33)	131,999	133,742
- Loans and advances to employees	1,674	1,232
- Advance for supply of goods and services	12,311	1,247
- Prepaid expenses	222	468
	193,750	187,195
15. OTHER CURRENT ASSETS		
Interest accrued but not due on :		
- Fixed deposits with banks	791	2,481
	791	2,481



	For the year ended 31 March 2016	For the year ended 31 March 2015
16. REVENUE FROM OPERATIONS		
Contract clinical research and other services fees	20,280	55,131
Other operating revenue	-	425
Revenue from operations	20,280	55,556
17. OTHER INCOME		
Other non-operating income		
- Interest income on loans to related party	4,507	3,830
- Interest income on fixed deposits with banks	748	2,101
- Others	-	75
	5,255	6,006
18. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus, gratuity and allowances (refer note 32)	12,601	20,290
Contribution to provident fund and other funds (refer note 32)	905	1,598
Staff welfare	525	1,079
	14,031	22,967
19. FINANCE COSTS		
Interest expense (refer note 26)	311	17
	311	17
20. OTHER EXPENSES		
Repairs and maintenance	10	2
Power and fuel	-	169
Rent (refer note 31)	1,654	2,592
Rates and taxes	364	4,517
Insurance	339	754
Advertisement, publicity and sales promotion	-	52
Traveling and other incidental expenses	882	243
Office maintenance	1,764	3,110
Vehicle running and maintenance	32	112
Printing and stationery	65	252
Communication expenses	197	844
Staff recruitment and training	-	2
Auditors remuneration		
- As auditors	125	90
- For tax audit	35	31
- For certification and other services	36	160
Legal, professional and consultancy charges	531	857
Bank charges	431	183
Bad debts / irrecoverable advances written off / provided for	-	130
	6,465	14,100
21. EXCEPTIONAL ITEMS		
Foreign exchange loss/ (gain)	7,032	(3,698)
	7,032	(3,698)



Jubilant Clinsys Limited**Notes to the financial statements for the year ended 31 March 2016 (Continued)****22. Segment Reporting**

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

23. Commitments

a) For lease commitment refer note 31.

24. Contingent liabilities to the extent not provided for:**a) Guarantees:**

Outstanding guarantees furnished by banks on behalf of the Company are Rs. 3,461 thousands (previous year Rs.9,052 thousands) for import of various scientific equipment.

b) Claims against Company, disputed by the Company, not acknowledged as debt:

The Company had received audit objections consequent to routine audit conducted by the department. Accordingly the Company had filed various replies to the department. The Company had received three show cause notices from the Service tax department. The amount as computed by the department is estimated at Rs 53,366 thousands (previous year Rs. 55,861 thousands).

25. Loan to Ultimate Holding Company pursuant to information required to be disclosed under section 186(4) of the Companies Act, 2013

(Rs. '000)			
Name of Ultimate Holding Company/ Particulars of disclosure(Unsecured Loan)	Purpose/Term of Loan	As at 31 March 2016	As at 31 March 2015
Jubilant Life Sciences Limited			
Outstanding as at the beginning of the year	General business	50,000	45,000
Given during the year	purpose and	10,000	15,000
Repaid during the year	interest rate 9.5%	13,500	10,000
Outstanding as at the end of the year		46,500	50,000

26. Interest expense includes Rs. 311 thousands (previous year Rs. Nil) towards interest relating to income tax payments.

27. Micro, Small and Medium enterprises

There are no Micro, Small and Medium enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2016. The information as required to be disclosed under the micro, small and medium enterprises development act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of the information available with the Company.



Jubilant Clinsys Limited**Notes to the financial statements for the year ended 31 March 2016 (Continued)**

28. Based on the principle of prudence, deferred tax asset has been recognized only to the extent of deferred tax liabilities in line with the requirements of AS 22 "Accounting for Taxes on Income".

The components of deferred tax (net) are as follows:

	(Rs. '000)	
	As at 31 March 2016	As at 31 March 2015
Deferred tax assets on account of :		
Provision for employee benefits	1,186	824
Provision for doubtful debts	292	286
Amount disallowed U/s 43 B of Income Tax Act, 1961.	24	160
Depreciation and amortization	1,165	615
Total (A)	2,667	1,885
Deferred tax liabilities on account of :		
Depreciation and amortization	-	-
Total (B)	-	-
Deferred Tax Asset (Net)	2,667	1,885
Deferred tax assets recognized*	Nil	Nil

*Deferred tax asset has not been recognized in absence of virtual certainty of realization.

29. The Company had a sanctioned limit of Rs. Nil (Previous Year Rs 1,500 thousands) as cash credit and Rs. Nil (Previous Year Rs 2,500 thousand) against letter of credits ("LC"). These limits were secured by way of first charge on current assets of the Company. Also, letter of credit was secured by exclusive charge on capital equipment to be imported under LC from time to time.
30. During the previous year, pursuant to the Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company had revised depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. As a result of this change, the depreciation charge for the year ended 31 March 2015 was higher by Rs. 2,871 thousand. Further, based on the transitional provision provided in Note 7(b) of the Schedule II an amount of Rs. 2,209 thousand (after adjustment for related tax impact) has been debited to opening balance of retained earnings in respect of the fixed assets where life has expired as per the said Schedule as on 31 March 2014.
31. The Company's significant operating lease arrangements are in respect of premises (residential, offices, etc.). These leasing arrangements, which are cancellable, range between 5 years and 10 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses and the total amount for the year is Rs.1,654 thousands (previous year Rs. 2,592 thousand)



Jubilant Clinsys Limited**Notes to the financial statements for the year ended 31 March 2016 (Continued)**

32. Employee benefits have been calculated as under:

A) Defined contribution plans**a. Provident fund and family pension scheme**

During the year the Company has contributed following amounts to:

	(Rs. 000)	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Employers' Contribution to Provident Fund	905	1,581

b. State plans

During the year the Company has contributed following amounts to:

	(Rs. '000)	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Employers' contribution to employee state insurance	-	17

B) Defined benefit plans**i) Gratuity**

In accordance with Accounting Standard 15 (AS 15) - "Employee Benefits (Revised 2005)", an actuarial valuation has been carried out in respect of gratuity. In accordance with Accounting Standard 15 (AS-IS) "Employee Benefits {Revised 2005}", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.90% p.a. (Previous year 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 (Previous year 58 years) and mortality table is as per IALM (2006- 08) {Previous year 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 (Previous year 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

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

	(Rs. '000)	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Present value of obligation as at the beginning of period	1,102	2,596
Current service cost	294	283
Interest cost	85	244
Actuarial (gain)/loss	210	(1,379)
Benefit paid	(415)	(644)
Present value of obligation as at the end of period	1,276	1,102



Jubilant Clinsys Limited**Notes to the financial statements for the year ended 31 March 2016 (Continued)****Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:**

(Rs. '000)

	As at 31 March 2016	As at 31 March 2015
Present value of obligation as at the end of period	1,276	1,102
Fair value of plan assets at period end	-	-
Liabilities recognized in the Balance Sheet	1,276	1,102

Cost recognized for the year (included under salaries, wages, bonus, gratuity and allowances)

(Rs. '000)

	For the year ended 31 March 2016	For the year ended 31 March 2015
Current service cost	294	283
Interest cost	85	244
Actuarial (gain)/loss	210	(1,379)
Net cost recognized for the period	589	(852)

Experience adjustment for the current year and previous four years:

(Rs. '000)

	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
Defined benefit obligation	1,276	1,102	2,596	2,798	2,233
Plan assets	-	-	-	-	-
Surplus / (deficit)	(1,276)	(1,102)	(2,596)	(2,798)	(2,233)
Experience adjustment on plan liabilities (loss) / gain	(219)	1,213	1,293	(455)	(894)

ii) Other long term benefits (compensated absences)

(Rs. '000)

	As at year ended 31 March 2016	As at year ended 31 March 2015
Present value of obligation	1,583	1,323

33. Related party transactions**(a) Related parties and nature of parties where control exists****Ultimate Holding Company**

Jubilant Life Sciences Limited, India

Intermediate Holding Company

Jubilant Pharma Pte. Limited, Singapore



Jubilant Clinsys Limited**Notes to the financial statements for the year ended 31 March 2016 (Continued)****Holding Company**

Jubilant Drug Development Pte, Limited, Singapore

(b) Other parties with whom transactions have taken place during the year and nature of relationship:**Fellow Subsidiaries**

Jubilant Biosys Limited
Jubilant Clinsys Inc., USA
Jubilant Chemsys Limited
Jubilant Generics Limited

(c) Key management personnel

Dr. Shirali Raina, Executive Director (resigned w.e.f 31 December 2014)
Munish Kumar Kaushik, Director

The Company has entered into transactions with the following related parties during the year:-

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
<p align="right">(Rs*000)</p> <p><u>Ultimate Holding Company</u></p> <p><u>Jubilant Life Sciences Limited</u></p> Expenses reimbursed - 380 Expenses recharged 348 123 Interest Income on ICD given 4,507 3,830 Loan given 10,000 15,000 Loan repaid 13,500 10,000		
<p><u>Fellow subsidiary companies</u></p> <p><u>Jubilant Biosys Limited:</u></p> Expenses reimbursed 2,447 1,420		
<p><u>Jubilant Clinsys Inc.</u></p> Expenses reimbursed - 2,192 Expenses recharged 4,603 8,247 Clinical research services rendered 10,766 12,641 Services received - 85		
<p><u>Jubilant Generics Limited</u></p> Expenses reimbursed - 58 Expenses recharged - 65		



Jubilant Clinsys Limited
Notes to the financial statements for the year ended 31 March 2016 (Continued)
Outstanding balances at year end:

(Rs*000)		
Particulars	As at 31 March 2016	As at 31 March 2015
<u>Ultimate Holding Company</u>		
<u>Jubilant Life Sciences Limited</u>		
Inter corporate deposits given (ICD)	46,500	50,000
Interest on inter corporate deposits given(ICD)	-	3,447
Receivable from ICD	46,500	53,447
Receivable (Business sale consideration)	87,000	87,000
Other receivables	348	-
<u>Fellow Subsidiary Companies</u>		
<u>Jubilant Biosys Limited</u>		
Trade payable	553	5
<u>Jubilant Clinsys Inc.</u>		
Trade receivable	84,955	77,392
Other receivables	23,963	22,607
Trade payables/other payables	18,815	17,750
<u>Jubilant Generics Limited</u>		
Other receivables	20,688	20,688
Other payables	1,889	1,889

Details of remuneration to the key managerial personnel:-*

Dr. Shirali Raina, Executive Director

(Rs*000)		
Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Salary and other perquisites	-	2,557
House rent allowance	-	645
Contribution to provident fund	-	155
Performance bonus	-	380
Total	-	3,736

Munish Kumar Kaushik, Director

(Rs*000)		
Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Salary and other perquisites	1,885	1,818
House rent allowance	439	337
Contribution to provident fund	105	81
Performance bonus	-	-
Total	2,429	2,236

*The above excludes provision for gratuity/earned leave where calculations are on overall company basis.



Jubilant Clinsys Limited**Notes to the financial statements for the year ended 31 March 2016 (Continued)****34. Earning per share (EPS)**

Earning per share (EPS)

(Rs*000)			
I.	Profit for earnings per share	For the year ended 31 March 2016	For the year ended 31 March 2015
	Loss for basic and diluted EPS of Rs 10 each	(5,101)	(24)

II.	Weighted average number of equity shares for earnings per share computation	For the year ended 31 March 2016	For the year ended 31 March 2015
	a) For basic EPS (Nos.)	1,999,766	1,999,766
	b) For diluted EPS (Nos.)		
	No. of shares for basic EPS (Nos.)	1,999,766	1,999,766
	Add: Convertible preference shares (Nos.)	27,050,000	27,050,000
	No. of share for diluted EPS (Nos.)	29,049,766	29,049,766

III. Earnings per share (face value of Rs 10 each)

S. No	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
a)	Basic loss per share (Rs.)	(2.55)	(0.02)
b)	Diluted loss per share (Rs.) *	(2.55)	(0.02)

Note: As the Preference Shares are Non Cumulative, no effect of dividend on the said shares has been given.

* Dilutive EPS has been kept at basic EPS as the element of dilution has an anti dilutive effect.

35. a) Expenditure in foreign currency (on accrual basis):

(Rs*000)		
Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
License fees	-	1,012
Legal and professional fees	-	85
Others	244	16

b) Earning in foreign currency:

(Rs*000)		
	For the year ended 31 March 2016	For the year ended 31 March 2015
Export of services	10,608	44,754
Reimbursement of expenses	4,603	7,948



Jubilant Clinsys Limited

Notes to the financial statements for the year ended 31 March 2016 (Continued)

36. Foreign currency exposure not hedged by derivative instrument:

Rs '000

Details	Currency	As at 31 March 2016			As at 31 March 2015		
		Amount in Foreign Currency	Exchange Rate	Equivalent INR	Amount in Foreign Currency	Exchange Rate	Equivalent INR
Amount receivable on account of sale of services.	USD GBP	1,644 -	66.25 -	108,918 -	1,519 -	62.50 -	86,497 -
Amount payable on account of purchase of services	USD	284	66.25	18,815	190	62.50	11,858

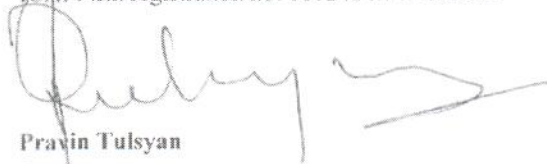
37. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature,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

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

ICAI Firm registration no: 101248W/W-100022



Pravin Tulsyan

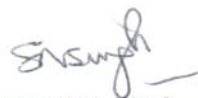
Partner

Membership Number: 108044

Place: Noida

Date: 27 April 2016

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



Shyam Nath Singh

Director

DIN: 00010530



Sanjay Jain

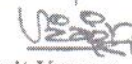
Chief Financial Officer



Munish Kumar Kaushik

Managing Director

DIN: 07146345



Vinit Kumar

Company Secretary