Independent Auditor's Report

To the Members of Jubilant Clinsys Limited

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

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

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

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

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

(i) the Company has disclosed the impact pending litigation on its financial position in its financial position- refer note 24 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.

(iv) The Company has provided requisite disclosures in the Ind AS financials statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures performed by us and relying on the management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management - Refer to note 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: 16 May 2017

Annexure A to the Independent Auditor's Report to the Members of Jubilant Clinsys Limited on the Ind AS financial statements for the year ended 31 March 2017

We report that:

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

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

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

(ii) According to the information and explanations given to us and on the basis of our examination of the books of account, there is no inventory held by the Company. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company

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

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

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

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

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, cess and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, duty of customs, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, cess and any other statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no disputed dues of sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited with the appropriate authorities. According to the information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of dispute:

Name of the Statute	Nature of dues	Amount involved (Rs.)	Amounts paid under protest (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	52,313	2,238	2008-2013	CESTAT, Allahbad
		3,301	-	2010-2011	CESTAT, New Delhi
		78	-	2007-2010	Assistant commissioner

(viii) According to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

(ix) Based on our examination of books of account and according to the information and explanations given to us, no term loan was taken by the company and has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3(ix) of the Order is not applicable.

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

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

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

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

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

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

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

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

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 16 May 2017

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 16 May 2017

Jubilant Clinsys Limited
Balance Sheet as at 31 March 2017

(₹ in thousands)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	1,907	2,590	4,655
Intangible assets	4	209	548	1,280
Financial assets				
i. Loans	5(c)	6,724	6,724	6,724
ii. Other financial assets	5(e)	2,766	2,766	1,783
Income-tax assets (net)		3,670	30,111	29,416
Total non-current assets		**15,276**	**42,739**	**43,858**
Current assets				
Financial assets				
i. Trade receivables	5(a)	-	91,397	91,800
ii. Cash and cash equivalents	5(b)	278,527	9,396	2,338
iii. Other bank balances	5(c)	12,571	12,462	5,123
iv. Loans	5(d)	-	46,500	50,000
v. Other financial assets	5(e)	3,205	132,789	136,223
Other current assets	6	292	15,252	3,533
Total current assets		**294,595**	**307,796**	**289,017**
Total assets		**309,871**	**350,535**	**332,875**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	7	19,998	19,998	19,998
Other equity	8	287,902	268,554	273,656
Total Equity		**307,900**	**288,552**	**293,654**
LIABILITIES				
Non-current liabilities				
Provisions	11	-	1,981	1,780
Total non-current liabilities		**-**	**1,981**	**1,780**
Current liabilities				
Financial liabilities				
i. Trade payables	9(a)	123	23,959	22,695
ii. Other financial liabilities	9(b)	-	2,186	929
Other current liabilities	10	87	32,977	9,558
Provisions	11	-	879	645
Current tax liabilities (net)		1,761	-	3,614
Total current liabilities		**1,971**	**60,002**	**37,441**
Total liabilities		**1,971**	**61,983**	**39,221**
Total equity and liabilities		**309,871**	**350,535**	**332,875**
Significant accounting policies	2			
Notes to the financial statements	3-31			

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

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

Pravin Tulsyan
Partner
Membership No: 108044

Sanjay Das
Director
DIN: 03459334

Munish Kumar
Managing Director
DIN:07146345

Place : Noida
Date : 16 May 2017

Sanjay Jain
Chief Financial Officer

Vipul Sharma
Company Secretary

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

(₹ in thousands)

	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations	12	11,198	20,280
Other income	13	23,867	5,255
Total income		**35,065**	**25,535**
Expenses			
Employee benefits expense	14	1,499	13,830
Finance costs	15	-	311
Depreciation and amortisation expense	16	1,022	2,797
Other expenses	17	8,242	13,498
Total expenses		**10,763**	**30,436**
Profit/ (loss) before tax		**24,303**	**(4,901)**
Tax expense			
- Current tax	18	4,955	-
Total tax expense		4,955	-
Profit/(loss) for the year		**19,348**	**(4,901)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit obligations		-	(210)
Other comprehensive income for the year, net of tax		**-**	**(210)**
Total comprehensive income for the year		**19,348**	**(5,111)**
Earnings per equity share of ₹ 1 each			
Basic (₹)	24	9.68	(2.45)
Diluted (₹)		0.67	(2.45)
Significant accounting policies	2		
Notes to the financial statements	3-31		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

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

Pravin Tulsyan
Partner
Membership No: 108044

Sanjay Das
Director
DIN:03459334

Munish Kumar Kaushik
Managing Director
DIN:07146345

Place : Noida
Date : 16 May 2017

Sanjay Jain
Chief Financial Officer

Vipul Sharma
Company Secretary

Jubilant Clinsys Limited
Statement of changes in equity for the year ended 31 March 2017

a) Equity share capital

	(₹ in thousands)
Balance as at 1 April 2015	19,998
Changes in equity share capital during the year	-
Balance as at 31 March 2016	19,998
Changes in equity share capital during the year	-
Balance as at 31 March 2017	**19,998**

(b) Other Equity

(₹ in thousands)

	Reserves and Surplus			Items of other comprehensive income	Total
	Capital reserve	Preference share capital	Retained earnings	Remeasurement of defined benefit obligation	
As at 1 April 2015	**156**	**270,500**	**3,000**	**-**	**273,656**
Loss for the year	-	-	(4,901)	-	(4,901)
Other comprehensive income for the year	-	-	-	(210)	(210)
Total comprehensive income for the year	**-**	**-**	**(4,901)**	**(210)**	**(5,111)**
Additions during the year	9	-	-	-	9
As at 31 March 2016	**165**	**270,500**	**(1,901)**	**(210)**	**268,554**
As at 1 April 2016	**165**	**270,500**	**(1,901)**	**(210)**	**268,554**
Profit for the year	-	-	19,348	-	19,348
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**		**19,348**	**-**	**19,348**
Additions during the year	-	-	-	-	-
As at 31 March 2017	**165**	**270,500**	**17,447**	**(210)**	**287,902**

Refer note 8 for nature and purpose of equity

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

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

Pravin Tulsyan
Partner
Membership No: 108044

Sanjay Das
Director
DIN:03459334

Munish Kumar Kaushik
Managing Director
DIN:07146345

Place : Noida
Date : 16 May 2017

Sanjay Jain
Chief Financial Officer

Vipul Sharma
Company Secretary

Jubilant Clinsys Limited
Statement of Cash Flows for the year ended 31 March 2017

		(₹ in thousands)
	For the year ended 31 March 2017	**For the year ended 31 March 2016**
A. Cash flow from operating activities		
Net profit/(loss) before tax	**24,303**	**(4,901)**
Adjustments :		
Depreciation and amortisation expense	1,022	2,797
Finance costs	-	311
Bad debts/ irrecoverable loans and advances written off (net off provisions written-back)	-	436
Unrealised foreign exchange, net	-	(14,230)
Interest income	(10,230)	(5,255)
	(9,208)	**(15,941)**
Operating cash flow before working capital changes	**15,095**	**(20,842)**
Decrease in trade receivables, other financial assets and other current assets	238,340	2,192
(Decrease)/ Increase in trade payables,other financial liabilities, provisions and other current liabilities	(61,775)	24,761
Cash generated from operations	**191,660**	**6,111**
Income tax paid (net of refund)	23,247	(4,310)
Net cash generated from operating activities	**214,907**	**1,801**
B. Cash flow from investing activities		
Loan received back from holding company	46,500	3,500
Movement in other bank balances*	253	(8,688)
Interest received	7,470	10,755
Net cash generated from investing activities	**54,223**	**5,567**
C. Cash flow arising from financing activities		
Finance costs paid	-	(311)
Net cash used in financing activities	**-**	**(311)**
Net increase in cash and cash equivalents (A+B+C)	**269,130**	**7,058**
Add: cash and cash equivalents at the beginning of year	9,396	2,338
Cash and cash equivalents at the end of the year	**278,526**	**9,396**
Components of Cash and Cash equivalents		
Balances with banks* **		
- on current accounts	1,516	9,369
- on deposits accounts with original maturity up to three months	277,000	-
Cash on hand	1	2
Others		
- Imprest	9	25
Total cash and cash equivalents	**278,526**	**9,396**

**Other financials assets ₹ 2,766 thousand (31 March 2016: ₹ 2,766 thousand ; 1 April 2015: ₹ 1,783 thousand has restricted use)
*Other bank balances ₹ 12,571 thousand (31 March 2016: ₹ 12,462 thousand ; 1 April 2015: ₹ 5,123 thousand has restricted use)
***Balance with banks 277,000 thousand has restricted use

Note: Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Pravin Tulsyan
Partner
Membership No: 108044

Place : Noida
Date : 16 May 2017

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

Sanjay Das
Director
DIN:03459334

Munish Kumar Kaushik
Managing Director
DIN:07146345

Sanjay Jain
Chief Financial Officer

Vipul Sharma
Company Secretary

Note 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. During the year, the Company has no pending service order for its existing business Management is in the process of negotiating new business or evaluating the other business opportunities. No adjustments have been made to the carrying amount of assets and liabilities as at 31 March 2017 as in opinion of the management the assets are sufficient to discharge its liabilities in the normal course of business. Accordingly, the financial statements have been prepared on the basis of going concern.

Note 2: Significant accounting policies

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

(a) Basis of preparation

(i) *Statement of Compliance*

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

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

As these are the Company’s first financial statements prepared in accordance with Ind AS. Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 26.

(ii) *Historical cost convention*

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

(b) Current versus non-current classification

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

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

(c) Property, plant and equipment and Intangible assets

All 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.

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.

(i) Intangible assets

Intangible assets that are acquired are measured initially at cost, which includes capitalized finance costs. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

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

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

(ii) Depreciation 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**
Computer servers and networks	5 years	6 years
Employee perquisite related assets (except end user computers)	5 years, being the period of perquisite scheme	10 years

Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal. Depreciation on assets added/disposed off during the year, in case of some of overseas subsidiaries, is provided on pro rata basis with reference to the month of addition/disposal

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

(iii) 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 recognized in the Statement of Profit and Loss.

(iv) Transition to Ind AS

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

(d) Impairment of non-financial assets

The Company's non-financial assets other than 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 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.

(e) 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’).

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 AS 103 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 atfair value with all changes recognised in the Statement of Profit and Loss.

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.

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.

(f) Cash and cash equivalents

Cash and cash equivalent in the balance sheet 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.

(g) 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.

(h) 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.

(i) 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 that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

  Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to 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 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;

Deferred tax assets 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. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

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

(j) Leases

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

(k) Employee benefits

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

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) Provident Fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan This is treated as defined contribution plan.

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

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 Consolidated Statement of Profit and Loss in the year in which they arise

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 *e*ntitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses 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 Consolidated 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 Consolidated 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)

Termination benefits:

*T*ermination 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.

(l) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at Balance Sheet date exchange rates are generally recognised in Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to exercise the option for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised 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.

The Company had adopted following policy for long-term foreign currency monetary items accounted in previous GAAP:

(a) Exchange differences pertaining to long term foreign currency monetary items that are related to acquisition of depreciable assets are adjusted in the carrying amount of the related fixed assets; and

(b) Exchange differences arising on other long term foreign currency monetary items are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA), and are amortised over the balance period of the relevant foreign currency item.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive

(m) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note 24)

(ii) *Diluted earnings per share*

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

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

(n) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market observable

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.

(o) Critical estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Recognition and estimation of current tax expense – Note 2(i)
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(c)
- Estimation of assets and obligations relating to employee benefit – Note 20
- Fair value measurement – Note 2(n)

(p) Recent accounting pronouncements

Applicable standards issued but not yet effective

The amendment to Ind AS 7 requires the company 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.

Jubilant Clinsys Limited
Notes to the financial statements for the year ended 31 March 2017

Note 3: Property, Plant and equipment

(₹ in thousands)

Description	Furniture and fixtures (1)	Research Equipments	Office equipment	Total
Gross carrying amount				
Deemed Cost as at 1 April 2015	2,115	21	2,519	4,655
Additions	-	-	21	21
Deductions/adjustments	(21)	-	-	(21)
Gross carrying value as at 31 March 2016	**2,136**	**21**	**2,540**	**4,655**
Accumulated depreciation as at 1 April 2015	-	-	-	-
Depreciation charge for the year	969	12	1,084	2,065
Accumulated depreciation as at 31 March 2016	**969**	**12**	**1,084**	**2,065**
Net carrying amount as at 31 March 2016	**1,167**	**9**	**1,456**	**2,590**
Net carrying amount as at 1 April 2015	**2,115**	**21**	**2,519**	**4,655**

Description	Furniture and fixtures	Research Equipments	Office equipment	Total
Gross carrying amount as at 1 April 2016	2,094	21	2,540	4,655
Gross carrying amount as at 31 March 2017	**2,094**	**21**	**2,540**	**4,655**
Accumulated depreciation as at 1 April 2016	969	12	1,084	2,065
Depreciation charge for the year	381	3	299	683
Accumulated depreciation as at 31 March 2017	**1,350**	**15**	**1,383**	**2,748**
Net carrying amount as at 31 March 2017	**744**	**6**	**1,157**	**1,907**
Net carrying amount as at 31 March 2016	**1,125**	**9**	**1,456**	**2,590**

Note:

(1) Furniture and fixture includes leasehold improvements.

(2) The Company has elected to measure all its property, plant and equipment and intangible assets at previous GAAP carrying value as per exemption available in Ind AS 101

Jubilant Clinsys Limited
Notes to the financial statements for the year ended 31 March 2017

Note 4: Other intangible assets **(₹ in thousands)**

Description	Software	Total
Gross carrying amount		
Deemed Cost as at 1 April 2015	1,280	1,280
Gross carrying amount as at 31 March 2016	**1,280**	**1,280**
Accumulated amortisation as at 1 April 2015	-	-
Amortisation for the year	732	732
Accumulated amortisation as at 31 March 2016	**732**	**732**
Net carrying amount as at 31 March 2016	**548**	**548**
Net carrying amount as at 1 April 2015	**1,280**	**1,280**

Description	Software	Total
Gross carrying amount as at 1 April 2016	1,280	1,280
Gross carrying amount as at 31 March 2017	1,280	1,280
Accumulated amortisation as at 1 April 2016	732	732
Amortisation for the year	339	339
Accumulated amortisation as at 31 March 2017	1,071	1,071
Net carrying amount as at 31 March 2017	**209**	**209**
Net carrying amount as at 31 March 2016	**548**	**548**

Jubilant Clinsys Limited
Notes to the financial statements for the year ended 31 March 2017

Note 5(a): Trade receivables

(₹ in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured, considered good and Current			
Trade receivables	3,614	7,289	15,252
Receivables from related parties (refer note 22)	-	84,950	77,390
Less: Expected credit loss allowance	3,614	842	842
Total receivables	**-**	**91,397**	**91,800**

Note 5(b): Cash and cash equivalents

(₹ in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with banks			
- on current accounts	1,517	9,369	2,297
- on deposits accounts with original maturity up to three months	277,000	-	-
Cash on hand	1	2	7
Others			
- Imprest	9	25	34
Total cash and cash equivalents	**278,527**	**9,396**	**2,338**

Note 5(c): Other bank balances

(₹ in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deposits accounts with maturity up to twelve months from the reporting date- held as margin mone	12,571	12,462	5,123
Total other bank balance	**12,571**	**12,462**	**5,123**

₹ 12,571 thousand (31 March 2016: ₹ 12,462 thousand ; 1 April 2015: ₹ 5,123 thousand has restricted use)

Note 5(d): Loans

	As at 31 March 2017		As at 31 March 2016		AS at 1 April 2015	
	Current	Non- current	Current	Non- current	Current	Non- current
Unsecured, considered good						
Security deposits	-	6,724	-	6,724	-	6,724
Loan to related parties (refer note 35)	-	-	46,500	-	50,000	-
Total loans	**-**	**6,724**	**46,500**	**6,724**	**50,000**	**6,724**

Note 5(e): Other financial assets

(₹ in thousands)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non- current	Current	Non- current	Current	Non- current
Deposits accounts with maturity after 12 months from the reporting date	-	2,766	-	2,766	-	1,783
Advances recoverable from related parties	-	-	131,999	-	133,742	-
Interest accrued on deposits with banks	3,189	-	790	-	2,481	-
Others	17	-	-	-	-	-
Total other financial assets	**3,205**	**2,766**	**132,789**	**2,766**	**136,223**	**1,783**

₹ 2766 thousand (31 March 2016: ₹ 2,766 thousand ; 1 April 2015: ₹ 1,783 thousand has restricted use)

Note 6: Other current assets

(₹ in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Prepayments	-	222	468
Balance with government authorities	292	1,044	587
Advance to employee	-	1,674	1,232
Advance to suppliers for supply of goods and services	-	12,312	1,247
Total other current assets	**292**	**15,252**	**3,533**

Note 7: Share capital

(₹ in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised			
2,000,000 (31 Mar 2016: 2,000,000 : 1 April 2015: 2,000,000) equity shares of Rs. 10 each	20,000	20,000	20,000
28,500,000 (31 Mar 2016: 28,500,000 : 1 April 2015: 28,500,000) preference shares of Rs. 10 each	285,000	285,000	285,000
Issued and subscribed and paid up			
1,999,766 (31 Mar 2016: 1,999,766 : 1 April 2015: 1,999,766) equity shares of Rs. 10 each	19,998	19,998	19,998
20,850,000 (31 Mar 2016: 20,850,000 : 1 April 2015: 20,850,000) 6% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each	208,500	208,500	208,500
6,200,000 (31 Mar 2016: 6,200,000 : 1 April 2015: 6,200,000) 8% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each	62,000	62,000	62,000
	290,498	290,498	290,498

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

	As at 31 March 2017	As at 31 March 2016
Equity shares of Rs. 10 each		
As at the commencement and end of the year	1,999,766	1,999,766
Preference Shares of Rs 10 each		
6% Optionally convertible non- cummulative redeemable preference shares		
At the commencement and at the end of the year	20,850,000	20,850,000
8% Optionally convertible non- cummulative redeemable preference shares		
At the commencement and at the end of the year	6,200,000	6,200,000

Rights, obligations and preferences attached to the equity 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.

Rights, obligations and preferences attached to the Preference shares

Optionally convertible non-cumulative preference shares were issued at par and each share is optionally convertible in to equity shares of par value. The holder of these shares are entitled to a non cumulative dividend of 6% and 8%.

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 2021 (originally the same were redeemable on 29 March 2012)
6% 1,200,000 preference shares are redeemable on 19 December 2021 (originally the same were redeemable on 19 December 2011)
6% 4,000,000 preference shares are redeemable on 22 June 2021 (originally the same were redeemable on 22 June 2011)

c) Particulars of shareholders holding more than 5% shares of a class of shares:

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Equity shares of Rs. 10 each paid up held by:						
Jubilant Drug Development Pte Limited, the holding company *	1,999,766	99.99%	1,999,766	99.99%	1,999,766	99.99%
*(including 6 shares held by Jubilant Drug Development Pte Limited jointly with 6 different individuals)						
6% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each paid up held by:						
Jubilant Life Sciences Limited, the ultimate holding company	20,850,000	100%	20,850,000	100%	20,850,000	100%
8% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each paid up held by						
Jubilant Life Sciences Limited, the ultimate holding company	6,200,000	100%	6,200,000	100%	6,200,000	100%

Note 8: Nature and purpose of other equity

Capital reserve
Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently.

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

Jubilant Clinsys Limited
Notes to the financial statements for the year ended 31 March 2017

Note 9(a): Trade payables

(₹ in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current			
Micro, Small and Medium Enterprises	-	-	-
Trade payables - others	123	23,959	22,695
Total trade payables	**123**	**23,959**	**22,695**

Micro, Small and Medium Enterprises

There are no micro and small 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

Note 9(b): Other financial liabilities

(₹ in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current			
Capital creditors	-	3	3
Employee benefits payable	-	2,183	926
Total other current financial liabilities	**-**	**2,186**	**929**

Note 10: Other current liabilities

(₹ in thousands)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade deposits and advances	-	32,918	9,340
Income received in advance	-	-	218
Statutory dues payables	87	59	-
Total other current liabilities	**87**	**32,977**	**9,558**

Note 11: Provisions

(₹ in thousand)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	**Non- current**	**Current**	**Non- current**	**Current**	**Non- current**
Unsecured, considered good						
Provision for employee benefits	-	-	879	1,981	645	1,780
Total provisions	-	-	879	1,981	645	1,780

Note 12: Revenue from operations

(₹ in thousands)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of services	1,580	20,280
Other operating revenue *	9,618	-
Total revenue from operations	**11,198**	**20,280**

* Other operating revenues is in the nature of export incentive, settlement fees for termination of customer contract, scrap sales and liabilities write back etc

Note 13: Other income

(₹ in thousands)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest Income	10,228	5,255
Net foreign exchange gains (net)	13,639	-
Total other income	**23,867**	**5,255**

Note 14: Employee benefit expense

(₹ in thousands)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Salaries, wages, bonus, gratuity and allowances	1,431	12,400
Contribution to provident fund, superannuation and other funds	68	905
Staff welfare expenses	-	525
Total employee benefit expense	**1,499**	**13,830**

Note 15: Finance costs

(₹ in thousands)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest expense	-	311
Total finance cost	**-**	**311**

Note 16: Depreciation and amortisation expense

(₹ in thousands)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Depreciation of property, plant and equipment	683	2,065
Amortisation of intangible assets	339	732
Total depreciation and amortisation expense	**1,022**	**2,797**

Note 17: Other expenses

(₹ in thousands)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Rental charges	1,794	1,654
Rates and taxes	292	364
Insurance	186	339
Travel and conveyance	-	882
Repairs and maintenance		
Plant and machinery	-	10
Office expenses	121	1,763
Vehicle running and maintenance	-	32
Printing and stationery	-	65
Telephone and communication charges	-	197
Staff recruitment and training	26	-
Payments to auditors (refer note 18(a) below)	227	196
Legal and professional fees	1,547	531
Bank charges	117	433
Provision/write off bad debts/irrecoverable advances (net)	2,772	-
Foreign Exchange Loss (net)	-	7,032
Miscellaneous expenses	1,160	-
Total other expenses	**8,242**	**13,498**

Note 17(a): Details of payments to auditors

(₹ in thousands)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Payment to auditors (excluding service tax and including out of pocket expenses)		
As auditor:		
Audit fee	90	125
Tax audit fee	35	35
In other capacities		
Certification fees	101	36
Total payments to auditors	**227**	**196**

Note 18: Income tax

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

Statement of profit and loss:

Profit or loss section

		(₹ in thousands)
	For the year ended 31 March 2017	**For the year ended 31 March 2016**
Current income tax:		
Current income tax charge	4,955	-
Adjustments in respect of current income tax of previous year	-	-
	4,955	**-**
Income tax expense reported in the statement of profit or loss	**4,955**	**-**
OCI section		
Tax related to items that will not be reclassified to Profit or Loss:	-	-
Income tax charged to OCI	**-**	**-**

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

		(₹ in thousand)
	For the year ended 31 March 2017	**For the year ended 31 March 2016**
Accounting profit/(loss) before tax	24,303	(4,901)
At India's statutory income tax rate of 33.063% (31 March 2016: 33.063%)	8,036	(1,620)
- Effect of unrecognized deferred tax	(204)	1,620
- MAT credit entitlement not recognised	(2,877)	-
Income tax expense reported in the statement of profit and loss	**4,955**	**-**

Note 19: Deferred tax Assets

	As at 31 March 2017	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
Deferred Tax Asset (Net)	**-**	**2,667**	**1,885**
Deferred tax assets recognized*	**-**	**Nil**	**Nil**

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

Note 20: Employee Benefits in respect of the Company have been calculated as under:

(A) Defined Contribution Plans

The Company has certain defined contribution plans such as Provident Fund, Employee pension scheme, where in specified percentage is contributed to them.

During the year the Company has contributed following amounts to:

(₹ in thousands)

Particulars	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
Employers contribution to provident fund	40	750
Employers contribution to employee’s pension scheme 1995	30	150

Provident Fund is deposited with government authority e.g. Regional Provident Fund Commissioner.

(B) Defined Benefit Plans

i. Gratuity

As the Company have no employees as on Balance Sheet date hence the Company has not carried out the actuarial valuation. However for previous year the Company has carried out actuarial valuation in accordance with Ind AS 19 - “Employee Benefits”. The discount rate assumed was 7.90% 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 and mortality table is as per 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, 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:

(₹ in thousands)

Particulars	**31 March 2017**	**31 March 2016**
Present value of obligation at the beginning of the year	1,276	1,102
Current service cost	(319)	294

Interest cost	-	85
Actuarial loss	-	210
Benefits paid	(957)	(415)
Present value of obligation at the end of the year	-	1,276

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

(₹ in thousands)

Particulars	31 March 2017	31 March 2016	1 April 2015
Present value of obligation at the end of the year	-	1,276	1,102
Fair value of plan assets at the end of the year	-	-	-
Net liabilities recognised in the Balance Sheet	-	1,276	1,102

Expense recognised in the Statement of Profit and Loss under employee benefit expense:

(₹ in thousands)

Particulars	31 March 2017	31 March 2016
Current service cost	(319)	294
Interest cost	-	85
Net cost recognised in the statement of profit and loss	(319)	379

Amount recognised in the statement of other comprehensive income:

(₹ in thousands)

Particulars	31 March 2017	31 March 2016
Actuarial loss	-	210
Expected return on plan assets	-	-
Amount recognised in the statement of other comprehensive income	-	210

Sensitivity analysis

(₹ in thousands)

Particulars	31 March 2017	31 March 2017
Assumptions	**Discount rate**	**Future salary increase**
Sensitivity level	NA	NA
Impact on defined benefit	Nil	Nil

(C) Other long term benefits (compensated absences):

(₹ in thousands)

	31 March 2017	31 March 2016	1 April 2015
Present value of obligation at the end of the year	-	1,582	1,323

Note 21: Fair value measurements

	Notes	Level of hierarchy	31 March 2017			31 March 2016			1 April 2015		
			FVPI	**FVOCI**	**Amortised cost**	**FVPI**	**FVOCI**	**Amortised cost**	**FVPI**	**FVOCI**	**Amortised cost**
Financial assets											
Trade receivables	(a)		-	-	-	-	-	91,397	-	-	91,800
Cash and cash equivalents	(a)		-	-	278,526	-	-	9,396	-	-	2,338
Other bank balances	(a)		-	-	12,571	-	-	12,462	-	-	5,123
Loans	(a),(b)		-	-	6,724	-	-	53,224	-	-	56,724
Other financial assets	(a),(b)		-	-	5,971	-	-	135,555	-	-	138,006
Total financial assets		-	-	-	303,793	-	-	302,034	-	-	293,991
Financial liabilities											
Trade payables			-		123	-	-	23,959	-	-	22,695
Other financial liabilities			-		-	-	-	2,186	-	-	929
Total financial liabilities		**-**	**-**		**123**	**-**	**-**	**26,145**	**-**	**-**	**23,624**

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.

.

Note 22: Financial risk management

A. Financial risk management

Risk management framework

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

- credit risk (see (i));
- liquidity risk (see (ii)); and
- market risk (see (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 and from its financing activities, including deposit with banks, investments, foreign exchange transactions and other financial instruments.

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

Trade receivables and other financial assets

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

The customers of the Company are spread across America, Asia and rest of the world regions though majority of customers are based out of America, and accordingly, trade accounts, receivables are concentrated in these geographies. To reduce credit risk, the Company performs ongoing credit evaluation of customers. As of 1 April 2015 and 31 March 2016, one customer is having 72% and 89% in total trade receivables of the Company respectively but since they are our fellow subsidiary so no credit risk.

Expected credit loss for trade receivables:

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

(₹ in thousands)

	31 March 2017	31 March 2016
Balance at the beginning of the year	842	842
Add: Provision during the year (net of reversal)	2,772	-
Balance at the end of the year	3,614	842

Expected credit loss on financial assets other than trade receivables:

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

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.

(₹ in thousands)

31 March 2017	**Contractual cash flows**			
	Carrying amount	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Trade payables	123	123	123	-

31 March 2016	**Contractual cash flows**			
	Carrying amount	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Trade payables	23,959	23,959	23,959	-
Other financial liability	2,186	2,186	2,186	-

1 April 2015	**Contractual cash flows**			
	Carrying amount	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Trade payables	22,695	22,695	22,695	-
Other financial liability	929	929	929	-

iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates 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.

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.

	31 March 2017		**31 March 2016**		**1 April 2015**	
	USD	**EUR**	**USD**	**EUR**	**USD**	**EUR**
Trade receivables	-	-	56,987	-	84,709	2,869
Net statement of financial position exposure	-	-	56,987	-	84,709	2,869

Sensitivity analysis

A reasonably possible strengthening (weakening) of the EUR and USD against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in thousands)

	Profit or loss (before tax)	
	Strengthening	**Weakening**
31 March 2017		
EUR (1% movement)	-	-
USD (1% movement)	-	-
31 March 2016		
EUR (1% movement)	4	4
USD (1% movement)	570	570

22. Capital Management

(a) Risk management

The Company's objectives when managing capital are to:
• safeguard its ability to continue as a going concern, so that its can continue to provide returns for its 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.

The Company is having nil borrowings as on 31 March 2017 (31 March 2016: Nil; 1 April 2015: Nil).

23. 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

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

Munish Kumar Kaushik, Director

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

(₹ in thousands)

Particulars	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
Ultimate Holding Company		
Jubilant Life Sciences Limited		
Expenses recharged	-	348
Interest Income on ICD given	-	4,507
Loan given	-	10,000
Loan repaid	46,500	13,500
Fellow subsidiary companies		
Jubilant Biosys Limited:		
Expenses reimbursed	184	2,447
Jubilant Clinsys Inc.		
Clinical research services rendered	-	4,603
Services received	-	10,766

Outstanding balance as at year end

Particulars	**As at 31 March 2017**	**As at 31 March 2016**	**As at 1 April 2015**
Ultimate Holding Company			
Jubilant Life Sciences Limited			
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	-
Fellow Subsidiary Companies			
Jubilant Biosys Limited			
Trade payable	-	553	5
Jubilant Clinsys Inc.			
Trade receivable	-	84,955	77,392
Other receivables	-	23,963	22,607
Trade payables/other payables	-	18,815	17,750
Jubilant Generics Limited			
Other receivables	-	20,688	20,688
Other payables	-	1,889	1,889

Details of remuneration to the key managerial personnel:-*

Munish Kumar Kaushik, Director

(₹ in thousands)

Particulars	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
Salary and other perquisites	-	1,885
House rent allowance	-	439
Contribution to provident fund	-	105
Total	**-**	**2,429**

*The above excludes provision for gratuity and compensated absences where calculations are on overall company basis.

24. Earnings per share (EPS)

(₹ in thousands)

I.

Profit for earnings per share	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
Profit/(Loss) for basic and diluted EPS of Rs 10 each	19,348	(4,974)

II.

Weighted average number of equity shares for earnings per share computation	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
a) Shares for basic EPS (Nos.)	1,999,766	1,999,766
b) Share for diluted EPS (Nos.)		
For basic EPS (Nos.)	1,999,766	1,999,766
Add: Optionally Convertible preference shares (Nos.)	27,050,000	27,050,000
Shares 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 2017**	**For the year ended 31 March 2016**
a)	Basic earnings per share (Rs.)	9.68	(2.49)
b)	Diluted earnings per share (Rs.)	0.67	(2.49)*

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

25. Segment Reporting

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

26. Contingent liabilities and contingent assets

Contingent liabilities to the extent not provided for:

A. Guarantees:

Outstanding guarantees furnished by banks on behalf of the Company are ₹ 3,461 thousand (31 March 2016: ₹3,461 thousands; 1 April 2015 ₹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 ₹ 55,671 thousands (31 March 2016: ₹ 53,366 thousands; 1 April 2015 ₹55,861 thousands)

27. Leases

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 ₹ 1,794 thousands (31 March 2016: ₹ 1,654 thousands).

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

Name of Ultimate Holding Company/ Particulars of disclosure(Unsecured Loan)	Purpose/Term of Loan	31 March 2017	31 March 2016
Jubilant Life Sciences Limited			
Outstanding as at the beginning of the year	General business purpose and interest rate 9.5%	46,500	50,000
Given during the year		-	10,000
Repaid during the year		46,500	13,500
Outstanding as at the end of the year		-	46,500

29. 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. 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.

2. 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 "Financial Instruments" 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.

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 of equity as reported under previous GAAP to Ind AS

(₹ in thousands)

	As at 1 April 2015			As at 31 March 2016		
	Previous GAAP *	Effects of transitions to Ind AS	Ind AS	Previous GAAP *	Effect of transitions to Ind AS	Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment	4,655	-	4,655	2,590	-	2,590
Intangible assets	1,280	-	1,280	548	-	548
Financial assets						
i. Loans	6,724	-	6,724	6,724	-	6,724
ii. Other financial assets	1,783	-	1,783	2,766	-	2,766
Income tax assets (net)	29,416	-	29,416	30,111	-	30,111
Total non-current assets	**43,858**	**-**	**43,858**	**42,739**	**-**	**42,739**
Current assets						
Financial assets						
i. Trade receivables	91800	-	91,800	91,398	-	91,398
ii. Cash and cash equivalents	2,338	-	2,338	9,396	-	9,396
iii. Other bank balances	5,123	-	5,123	12,462	-	12,462
iv. Loans	50000	-	50,000	46,500	-	46,500
v. Other financial assets	136,223	-	1,36,22	1,32,789	-	132,789
Other current assets	3,533	-	3,533	15,252	-	15,252
Total current assets	**289,017**	**-**	**289,017**	**307,797**	**-**	**307,797**
Total assets	**332,875**	**-**	**332,875**	**350,536**	**-**	**350,536**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	19,998	-	19,998	19,998	-	19,998
Other equity	273,656	-	273,656	268,554	-	268,554
Total equity	293,654	-	293,654	288,553	-	288,553
LIABILITIES						
Non-current liabilities						
Provisions	1,780	-	1,780	1,981	-	1,981
Total non-current liabilities	1,780	-	1,780	1,981		1,981
Current liabilities						
Financial liabilities						
i. Trade payables	22,695	-	22,695	23,959	-	23,959
ii. Other financial liabilities	929	-	929	2,186	-	2,186
Other current liabilities	9,558	-	9,558	32,978	-	32,978
Provisions	645	-	645	879	-	879
Current tax liabilities (net)	3,614	-	3,614	-	-	-
Total current liabilities	37,441	-	37,441	60,002	-	60,002
Total liabilities	39,221	-	39,221	61,983	-	61,983
Total equity and liabilities	**332,875**	**-**	**332,875**	**350,536**	**-**	**350,536**

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

C: Reconciliation of Statement of Profit and Loss as previously reported under previous GAAP to Ind AS

	Year ended 31 March 2016		
	Previous GAAP *	**Effect of transition to Ind AS**	**Ind AS**
Continuing operations			
Revenue from operations	20,280	-	20,280
Other income	5,255	-	5,255
Total income	**25,535**	**-**	**25,535**
Expenses			
Employee benefit expense	13,830	-	13,830
Finance costs	311	-	311
Depreciation and amortization expense	2,797	-	2,797
Other expenses	13,498	-	13,498
Total expenses	**30,436**	**-**	**30,436**
Profit/ (loss) before tax	(4,901)	-	(4,901)
Income tax expense			
- Current tax	-	-	-
Total tax expense	**-**	**-**	**-**
Profit/ (loss) for the year	(4,901)	**-**	(4,974)
Other comprehensive income for the year, net of tax	-	(137)	(137)
Total comprehensive income for the year	(4,901)	(137)	(5,111)

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

D: Equity reconciliation

Particulars	Note	As at 31 March 2016	As at 31 March 2015
Reported earlier under previous GAAP		**288,552**	**293,654**
Adjustments	-	-	-
Now reported under Ind AS		**288,552**	**293,654**

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

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

Note 1: Re-measurements of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability 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 ₹ 137 thousand. There is no impact on the total equity as at 31 March 2016.

Note 2: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans and foreign exchange differences arising on translation of foreign operations. The concept of other comprehensive income did not exist under previous GAAP.

30. Note on cash transaction on specified notes

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

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

* For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016

31.

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

As per our report of even date attached

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

Pravin Tulsyan
Partner
Membership No: 108044

Place : Noida
Date : 16 May 2017

*Fo*r and on behalf of the Board of directors of Jubilant Clinsys Limited

Sanjay Das
Director
DIN:03459334

Munish Kumar Kaushik
Managing Director
DIN:07146345

Sanjay Jain
Chief Financial Officer

Vipul Sharma
Company Secretary