INDEPENDENT AUDITORS' REPORT

To the Members of Jubilant Chemsys Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jubilant Chemsys Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (together referred to as "the financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements – Refer note xx 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 disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

3. With respect to the matter to be included in the Auditors' Report under section 197(16):

   According In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its director during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 15 May 2019

Annexure A referred to in our Independent Auditor's Report to the members of Jubilant Chemsys Limited on the Financial Statements for the year ended 31 March 2019

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 the nature of its assets. No material discrepancies were noticed during physical verification of fixed assets.

(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, the inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has granted loans to companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the company listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loans granted to company listed in the register maintained under Section 189 of the Act, the borrower has been regular in the repayment of the principal and payment of interest on such loans as and when demanded by the Company as stipulated.

(c) There are no overdue amounts in respect of the loans granted to a company listed in the register maintained under Section 189 of the Act.

(iv) According to information and explanations given to us, in respect of loans and investments made by the Company, the provisions of section 185 and 186 of the Act have been complied with. As informed to us, the Company has not provided any guarantees or security as specified under section 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, are not applicable.

(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 Act for any activities performed by the Company. Accordingly, para 3(vi) of the Order is not applicable.

(vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Service Tax, Goods and Service Tax (GST), Income Tax and cess and other material 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 Sales Tax, Value Added Tax, Duty of Excise and Duty of Customs.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Service Tax, Goods and Service Tax (GST), Income Tax and cess and other material statutory were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, Service tax and Cess which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the Statute	Nature of dues	Amount involved* (Rs.in thousands)	Amounts paid under protest (Rs.in thousands	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	593,280	Nil	Financial year 2011-12	Allahabad High Court
Income Tax Act,1961	Income Tax	418,228	Nil	Financial year 2013-14	Allahabad High Court
Income Tax Act, 1961	Income tax	21,257	Nil	Financial year 2013-2014	CIT Appeals
Finance Act,1994	Service Tax	28,217	Nil	2015-2017	Commissioner (Appeals)
Finance Act,1994	Service Tax	2,204	Nil	2014-2015	Assistant Commissioner
Finance Act,1994	Service Tax	2,454	Nil	2014-2015	Assistant Commissioner

*Includes interest and penalties wherever quantified.

(viii) According to the information and explanation 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.

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

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

(xi) According to the information and explanation given to us and based on our examination of the records of the Company, 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 to the Act.

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

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards. Further, according to the information and explanations given to us and based on our examination of the records of the company, provisions of section 177 of the Act are not applicable to the Company.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, 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 explanation given to us and based on our examination of the records of the Company, 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: 15 May 2019

Annexure B to the Independent Auditor's Report of even date on Financial Statements of Jubilant Chemsys Limited

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

Opinion

We have audited the internal financial controls with reference to financial statements of Jubilant Chemsys Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 15 May 2019

Jubilant Chemsys Limited
Balance Sheet as at 31 March 2019

			(INR In Thousands)
	Notes	**As at 31 March 2019**	**As at 31 March 2018**
ASSETS			
Non-current assets			
Property, plant and equipment	3	280,600	232,362
Capital work-in-progress	3	5,746	15,303
Other intangible assets	4	1,588	2,510
Financial assets			
i. Investments	5	41,079	41,079
ii. Loans	6	10,296	10,241
iii. Other financial assets	7	1,000	1,000
Deferred tax assets (net)	8	75,255	87,540
Income tax asset (net)		40,499	40,499
Other non-current assets	9	-	2,748
Total non-current assets		**456,063**	**433,282**
Current assets			
Inventories	10	30,159	34,205
Financial assets			
i. Trade receivables	11	185,517	123,575
ii. Cash and cash equivalents	12(a)	39,666	16,202
iii. Other bank balances	12(b)	2,067	4,080
iv. Loans	6	251,670	220,848
v. Other financial assets	7	20,560	5,112
Other current assets	13	65,647	67,928
Total current assets		**595,286**	**471,950**
Total assets		**1,051,349**	**905,232**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	81,998	19,998
Other equity		772,284	718,011
Total equity		**854,282**	**738,009**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	15	4,062	5,265
Provisions	16	49,621	44,003
Total non-current liabilities		**53,683**	**49,268**
Current liabilities			
Financial liabilities			
i. Trade payables	17		
Total outstanding dues to micro enterprises and small enterprises		8,406	5,767
Total outstanding dues to creditors other than micro enterprises and small enterprises		79,408	49,260
ii. Other financial liabilities	18	13,626	19,370
Other current liabilities	19	33,245	36,863
Provisions	16	8,189	6,695
Current tax liabilities		510	-
Total current liabilities		**143,384**	**117,955**
Total liabilities		**197,067**	**167,223**
Total equity and liabilities		**1,051,349**	**905,232**

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: 15 May 2019

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

Vikas Shreekrishna Shirsath
Managing Director
DIN: 06575460

Arun Kumar Sharma
Director
DIN: 06991435

Noopur Agarwal
Company Secretary

Jubilant Chemsys Limited
Statement of Profit and Loss for the year ending 31 March 2019

(INR In Thousands)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	20	1,236,225	1,007,663
Other income	21	18,947	6,491
Total income		**1,255,172**	**1,014,154**
Expenses			
Changes in inventories of work-in-progress and finished goods	22	4,040	3,342
Employee benefits expense	23	321,566	302,597
Finance costs	24	1,752	4,336
Depreciation and amortisation expense	25	40,077	44,433
Other expenses	26	723,194	503,873
Total expenses		**1,090,629**	**858,580**
Profit before tax		**164,543**	**155,574**
Tax expense	27		
- Current tax		35,182	33,399
- Deferred tax		12,487	27,219
Total tax expense		**47,669**	**60,618**
Profit for the year		**116,874**	**94,956**
Other comprehensive income/loss			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit obligations		(848)	(963)
Income tax relating to these items		247	333
Other comprehensive income/loss for the year, net of tax		(601)	(630)
Total comprehensive income for the year		**116,273**	**94,326**
Earnings per equity share of Rs. 10 each	37		
Basic earnings per share		38.71	47.48
Diluted earnings per share		14.25	11.58

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 Board of Directors of **Jubilant Chemsys Limited**

Pravin Tulsyan
Partner
Membership No: 108044

Vikas Shreekrishna Shirsath
Managing Director
DIN: 06575460

Arun Kumar Sharma
Director
DIN: 06991435

Place : Noida
Date: 15 May 2019

Noopur Agarwal
Company Secretary

Jubilant Chemsys Limited
Statement of changes in Equity for the year ended 31st March 2019

(INR in Thousands)

a) Equity share capital	Note	No. of shares	Amount
Balance as at 1 April 2017	14	1,999,766	**19,998**
Changes in equity share capital during the year			-
Balance as at 31 March 2018	14	1,999,766	**19,998**
Issue of equity shares on conversion of preference shares		6,200,000	**62,000**
Balance as at 31 March 2019	14	8,199,766	**81,998**

b) Other Equity

(INR in Thousands)

	Preference share capital	Reserves and surplus			Total
		Capital reserve	Capital redemption reserve	Retained earnings	
Balance as at 1 April 2017	62,000	1,655	388,500	171,530	623,685
Profit for the year		-	-	94,956	94,956
Other comprehensive income		-	-	(630)	(630)
Balance as at 31 March 2018	**62,000**	**1,655**	**388,500**	**265,856**	**718,011**
Balance as at 1 April 2018	**62,000**	**1,655**	**388,500**	**265,856**	**718,011**
Profit for the year	-	-	-	116,874	116,874
Other comprehensive income	-	-	-	(601)	(601)
Preference Shares converted into Equity Shares	(62,000)	**-**	**-**	**-**	(62,000)
Balance as at 31 March 2019	**-**	**1,655**	**388,500**	**382,129**	**772,284**

Refer note 14 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 Board of Directors of **Jubilant Chemsys Limited**

Pravin Tulsyan
Partner
Membership No: 108044

Vikas Shreekrishna Shirsath
Managing Director
DIN: 06575460

Arun Kumar Sharma
Director
DIN: 06991435

Place : Noida
Date: 15 May 2019

Noopur Agarwal
Company Secretary

Jubilant Chemsys Limited
Statement of cash flows for the year ended 31 March 2019

(INR in Thousands)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flows from operating activities		
Net profit before tax	164,543	155,574
Adjustments :		
Depreciation and amortisation expense	40,077	44,433
Loss on sale/ disposal/ discard of property, plant and equipment (net)	3,884	684
Finance costs	1,752	4,336
Provision/write off bad debts (net)	-	8
Unrealised foreign exchange (gain)/ loss	1,436	(2,628)
Interest income	(15,443)	(5,184)
Operating cash flows before working capital changes	196,249	197,223
Decrease/(increase) in trade receivables, other financial assets and other assets	(77,111)	42,452
Decrease/(increase) in inventories	4,046	3,522
Increase/(decrease) in trade payables, provisions and other liabilities	31,419	42,798
Cash generated from operations	154,603	285,995
Income tax paid (net of refund)	(34,628)	(54,561)
Net cash generated from operating activities (A)	**119,975**	**231,434**
B. Cash flow from investing activities		
Purchase of property, plant and equipment, other intangible assets including capital work-in-progress	(81,936)	(59,047)
Proceeds from sale of property, plant and equipment	1,351	424
Movement in other bank balances	2,013	(1,199)
Interest received	15,590	5,257
Purchase of investment in subsidiary	-	(41,079)
Loan taken back from related party	50,000	-
Loan given to related party	(80,000)	(220,000)
Net cash used in investing activities (B)	**(92,982)**	**(315,644)**
C. Cash flow arising from financing activities		
Principal payments under finance lease	(1,777)	(1,354)
Finance costs paid	(1,752)	(4,336)
Net cash used in financing activities (C)	**(3,529)**	**(5,690)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	23,464	(89,900)
Add: cash and cash equivalents at the beginning of year	**16,202**	**106,102**
Cash and cash equivalents at the end of the year (Refer Note 12(a))	**39,666**	**16,202**

Notes:

1. Statement of Cash flow has been prepared under the indirect method as set out in the Ind AS 7-"Statement of Cash flows"

2. During the year, the Company paid in cash INR 2,292 thousands (31 March 2018: INR 983 thousands) towards corporate social responsibility (CSR) expenditure (included in donation-Refer note 36).

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 Board of Directors of **Jubilant Chemsys Limited**

Pravin Tulsyan
Partner
Membership No: 108044

Vikas Shreekrishna Shirsath
Director
DIN: 06575460

Arun Kumar Sharma
Director
DIN: 06991435

Place : Noida
Date: 15 May 2019

Noopur Agarwal
Company Secretary

Note 1: Corporate Information

Jubilant Chemsys Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956 and is the wholly owned subsidiary of Jubilant Life Sciences Limited (the ultimate holding company). The Company is into drug discovery services and offers discovery chemistry services, medicinal chemistry services, hit to lead and lead optimization and scaling up from mg to kg in kilo lab and pilot plant to global drug discovery companies.

Note 2: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The accounting policies adopted are consistent with those of the previous financial year except for the changes mentioned below:-

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective from 1 April 2018. The Company applied Ind AS 115 using the cumulative effect method which is applied to contracts that were not completed as of 1 April 2018. Accordingly, the comparatives have not been retrospectively adjusted. The Company has adopted Appendix B, "Foreign currency transactions and advance consideration" to Ind AS 21, "the effects of changes in foreign exchange rates" effective from 1 April 2018 prospectively to all assets, expenses and income in the scope of the said Appendix. The adoption of the above Standard/Appendix does not have any significant impact on the financial position or performance of the Company.

The Company has not early adopted any Standards or amendments that has been issued but is not yet effective.

(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, Companies (Indian Accounting Standard) (Amendment) Rules, 2016 and other relevant provisions of the Act. All the amounts included in the financial statements are reported in thousands of Indian Rupees ('Rupees' or 'INR') and are rounded to the nearest thousands, except per share data and unless stated otherwise.

These Ind AS financial statements are authorized for issue by the Company's Board of Directors on 15 May 2019.

(ii) *Historical cost convention*

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

(b) Current versus non-current classification

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

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

twelve months after the reporting period.

The Company classifies all other assets as non-current.

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

The Company classifies all other liabilities as non-current.

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

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

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

(i) **Property, plant and equipment**

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.

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

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in- progress.

(ii) **Intangible assets**

Acquired 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.

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

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for the following classes of fixed assets which are depreciated based on the internal technical assessment of the management as under:

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

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

Depreciation and amortization method, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) **Derecognition**

A property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

(d) Impairment of non-financial assets

The Company’s non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.
For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

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

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

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

(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'). The Company has not designated any debt instrument as at FVPL.

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

Equity investments

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

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

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

Investments in subsidiaries

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

Derecogntion of financial asset

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.

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 of financial liabilities

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 modify cation 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) Inventories

The Company holds inventory of Consumable, Stores and Spares which are being used for rendering services to its customers. Such inventories are valued at lower of cost or net realizable value except scrap, which is valued at net estimated realizable value.

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

Consumables, stores and spares	Weighted average method
Work-in-progress	Actual cost including an appropriate share of variable and fixed overheads. Fixed overheads are included based on No. of Man months deployed on particular project
Goods in transit	Cost of purchase

Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of goods and service tax wherever applicable.

(g) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(h) 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.

(i) Revenue recognition

Effective 1 April 2018, the Company adopted IND AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as at 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. There is no material effect on adoption of IND AS 115 on the financial statements.

Revenue from projects taken up as per the specification of the customers is recognized on the approval of/delivery of compounds to the customer. Service income is recognized as and when the underlying services are performed. The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time.

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as goods and service tax, and applicable discounts and allowances.

The computation of these estimates using expected value method involves significant judgment based on various factors including contractual terms, historical experience, estimated inventory levels etc.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash and only passage of time is required as per contractual terms. Contract liabilities are recognised when there are billings in excess of revenues. Contract liabilities relate to the advance received from customers and deferred revenue against which revenue is recognised when or as the performance obligation is satisfied.

(j) Employee benefits

(i) Short-term employee benefits: All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

(ii) Post-employment benefits: Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity is recognised in the books of accounts based on actuarial valuation by an independent actuary.

b) Provident fund

The Company makes provident fund contribution of its employees with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

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

(iii) Other long-term employee benefits:

Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits .The Company's liability in respect of other long-term employee benefits is recognised in the books of account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise *(iv)* Termination benefits*:*

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.
Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced)

(k) Finance costs

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

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

(l) Income tax

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

- ***Current tax:***

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

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

- ***Deferred tax:***

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

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
– temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
– taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforcement right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

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.

(m) Leases

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability

Operating leases

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

(n) Foreign currency translation

(i) Functional and presentation currency

The functional currency of the Company is 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.

(o) 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.

(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.

(p) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Significant valuation issues are reported to the Company's audit committee. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

(q) Share- Based payments

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

(r) 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 and deferrred expense – Note 27
- Assessment of useful life of property, plant & equipment and intangible asset – Note 2(c)
- Estimation of assets and obligations relating to employee benefits – Note 30
- Estimated impairment of financial assets and non-financial assets – Note 2(d) & (e)
- Valuation of Inventories – Note 2(f)
- Recognition and measurement of contingency : Key assumption about the likelihood and magnitude of an outflow of resources – Note 28
- Lease classification – Note 29(b)
- Fair Value measurement – Note 2 (p)

(s) Recent accounting pronouncements

Applicable standards issued but not yet effective

The Company has not early adopted the following new standards or amendments to standards in preparing these financial statements.

Ind AS 116, Leases

MCA vide its notification dated 30 March 2019, notified Ind AS 116 "Leases". The standard is effective from 1 April 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17 "Leases" and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises present value of the lease payment (discounted using incremental borrowing rate or interest rate implicit in the lease) as right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments and lease rent expense will be replaced with the amortization of right-of use-asset and interest accrued on lease liability. The standard also contains enhanced disclosure requirements for lessees and will have consequential impact on cash flows categories as well. The new standard substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019 using the modified retrospective approach. Therefore, the cumulative effect of adopting new standard will be recognized as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present

Ind AS 19, Employee Benefits

MCA vide its notification dated 30 March 2019, notified amendments to Ind AS 19 – "Employee Benefits" regarding plan amendments, curtailments and settlements. The amendments are as follows:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement;

- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding asset ceiling.

The above amendments are effective from 1 April 2019. The Company is currently in the process of evaluating the impact of this change on its financial statements.

Appendix C, "Uncertainty over Income Tax Treatments", to Ind AS 12, Income Taxes

MCA vide its notification dated 30 March 2019, notified Appendix C, "Uncertainty over Income Tax Treatments", to Ind AS 12, which clarifies how the recognition and measurement requirements of Ind AS 12 "Income taxes", are applied where there is uncertainty over income tax treatments. This appendix explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the applicable tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under applicable tax law.
The appendix provides specific guidance in several areas where previously Ind AS 12 was silent. Appendix applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Appendix is effective from 1 April 2019. The Company is currently in the process of evaluating the impact of this change on its financial statements.

Jubilant Chemsys Limited
Notes to the financial statements for the year ended 31 March 2019

Note 3: Property, plant and equipment and capital work in progress

(INR in Thousands)

Description	Plant and equipment	Furniture and fixtures*	Vehicles leased**	Office equipment	Total	Capital work- in-progress
Gross carrying amount						
As at 1 April 2017	292,699	25,247	6,419	12,392	**336,757**	8,266
Additions	41,305	1,292	2,256	5,306	**50,159**	54,940
Disposals/adjustment	(4,598)	(397)	-	(1,576)	**(6,571)**	(47,903)
Gross carrying value as at 31 March 2018	**329,406**	**26,142**	**8,675**	**16,122**	**380,345**	**15,303**
Accumulated depreciation as at 1 April 2017	94,768	11,325	514	3,523	**110,130**	-
Depreciation charge for the year	35,636	2,839	1,662	3,179	**43,316**	-
Disposals	(3,586)	(380)	-	(1,497)	**(5,463)**	-
Accumulated depreciation as at 31 March 2018	**126,818**	**13,784**	**2,176**	**5,205**	**147,983**	**-**
Net Carrying amount as at 31 March 2018	**202,588**	**12,358**	**6,499**	**10,917**	**232,362**	**15,303**

(INR in Thousands)

Description	Plant and equipment	Furniture and fixtures*	Vehicles leased**	Office equipment	Total (A)	Capital work in progress
Gross carrying amount						
As at 1 April 2018	329,406	26,142	8,675	16,122	**380,345**	15,303
Additions	85,865	1,093	1,524	4,890	**93,372**	82,291
Disposals/adjustment	(76,884)	(834)	(975)	(4,106)	**(82,799)**	(91,848)
Gross carrying value as at 31 March 2019	**338,387**	**26,401**	**9,224**	**16,906**	**390,918**	**5,746**
Accumulated depreciation as at 1 April 2018	126,818	13,784	2,176	5,205	**147,983**	-
Depreciation charge for the year	31,936	1,657	2,006	3,556	**39,155**	-
Disposals	(71,780)	(824)	(303)	(3,913)	**(76,820)**	-
Accumulated depreciation as at 31 March 2019	**86,974**	**14,617**	**3,879**	**4,848**	**110,318**	**-**
Net carrying amount as at 31 March 2019	251,413	11,784	5,345	12,058	**280,600**	5,746

Notes:

i) *Furniture and fixture includes leasehold improvements

ii) ** Addition pertains to assets acquired under finance lease.

Jubilant Chemsys Limited
Notes to the financial statements for the year ended 31 March 2019

Note 4: Other intangible assets

(INR in Thousands)

Description	Software
Gross carrying amount	
As at 1 April 2017	4,658
Additions	2,269
Disposal	-
Gross carrying value as at 31 March 2018	**6,927**
Accumulated amortisation as at 1 April 2018	3,300
Amortisation for the year	1,117
Disposal	-
Accumulated amortisation as at 31 March 2018	**4,417**
Net carrying amount as at 31 March 2018	**2,510**

(INR in Thousands)

Description	Software
Gross carrying amount	
As at 1 April 2018	6,927
Additions	-
Disposal	-
Gross carrying value as at 31 March 2018	**6,927**
Accumulated amortisation as at 1 April 2018	4,417
Amortisation for the year	922
Accumulated amortisation as at 31 March 2019	**5,339**
Net Carrying amount as at 31 March 2019	**1,588**

Additions Represent amount capitalised out of capital work in progress amounting to INR NIL Thousands (Previous year INR 2,269 Thousands) during the year ended 31st March 2018

Note 5: Investments

(INR in Thousands)

	As at 31 March 2019	As at 31 March 2018
Investment in equity shares (at cost)		
Unquoted investments in subsidiary company, (fully paid up)		
19,99,766 (31st March 2018: 19,99,766) equity shares of INR 10 each		
Jubilant Clinsys Limited	41,079	41,079
Total non-current investments	**41,079**	**41,079**

Note: 6 Loans

(INR in Thousands)

	As at 31 March 2019		As at 31 March 2018	
	Current	**Non- current**	**Current**	**Non- current**
Unsecured, considered good				
Security deposits	-	10,296	-	10,241
Loan to related parties (refer note 34)	250,000	-	220,000	-
Short term deposit	112	-	89	-
Loan to employees	1,558	-	759	-
Total loans	**251,670**	**10,296**	**220,848**	**10,241**

Note: 7 Other financial assets

(INR in Thousands)

	As at 31 March 2019		As at 31 March 2018	
	Current	**Non- current**	**Current**	**Non- current**
Deposits with maturity after 12 months from the reporting date*	-	1,000	-	1,000
Unbilled revenue	15,928	-	4,799	-
Interest receivable	166	-	313	-
Advance recoverable from related party	4,466	-	-	-
Total other financial assets	**20,560**	**1,000**	**5,112**	**1,000**

*The deposits have restricted use.

Note 8: Deferred tax

Deferred income tax reflect the net tax effect of temporary difference between carrying amount of assets and liabilities for financial reproting purpose and the amount used for income tax purpose. Significant component of the Company's net deferred income tax are as follows:

(INR in Thousands)

	As at 31 March 2019	As at 31 March 2018
Provision for compensated absences and gratuity	16,834	14,763
Expenditure allowed on actual payment basis	1,246	2,631
MAT Credit Entitlement	43,072	53,967
Accelerated depreciation for tax purposes	12,321	14,106
Others	1,782	2,073
	75,255	**87,540**

Reflected in the balance sheet as follows:

(INR in Thousands)

	As at 31 March 2019	As at 31 March 2018
Deferred tax assets	75,255	87,540
Deferred tax liabilities:	-	-
Deferred tax assets, net	**75,255**	**87,540**

Reconciliation of Deferred tax Assets (net):

(INR in Thousands)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance at the commencement of the year	87,540	114,426
Expense during the period recognised in statement of profit or loss	(12,487)	(27,219)
Credit during the period recognised in OCI	247	333
To advance tax	(45)	-
Balance at the end of the year	**75,255**	**87,540**

Note 9: Other non-current assets

(INR in Thousands)

	As at 31 March 2019	As at 31 March 2018
Capital advances	-	2,748
Total other non-current assets	**-**	**2,748**

Note 10: Inventories

(INR in Thousands)

	As at 31 March 2019	As at 31 March 2018
Raw material	-	6,150
Work-in-progress	29,757	27,647
Stores and spares	402	408
Total inventories	**30,159**	**34,205**

Note 11: Trade receivables

(INR in Thousands)

	As at 31 March 2019	As at 31 March 2018
Trade receivables, Unsecured		
Trade receivables, considered good	177,768	122,380
Receivables from related parties (Refer note 34)	7,749	1,195
Trade receivables - which have significant increase in credit risk	146	146
Less: Expected credit loss allowance (Refer note 32)	(146)	(146)
Total trade receivables	**185,517**	**123,575**

Note: 12 (a) Cash and cash equivalents

(INR in Thousands)

	As at 31 March 2019	As at 31 March 2018
Balances with banks		
- in current accounts	34,553	12,074
Cash on hand	84	12
Cheques/ draft on hand	-	53
Others		
Funds in transit	5,029	4,063
Total cash and cash equivalents	**39,666**	**16,202**

Disclosure on Specified Bank Notes

Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of corporate affairs:
The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

Note: 12 (b) Other bank balances

(INR in Thousands)

	As at 31 March 2019	As at 31 March 2018
Deposits accounts with maturity up to twelve months from the reporting date- held as margin money*	2,067	4,080
Total other bank balance	**2,067**	**4,080**

*The amount of other bank balances have restricted use.

Note 13: Other current assets

(INR in Thousands)

	As at 31 March 2019	As at 31 March 2018
Prepaid expenses	8,097	5,944
Balances with government authorities	57,525	61,653
Advance to employees	25	168
Advance for supply of goods and services	-	163
Total other current assets	**65,647**	**67,928**

Note 14: Equity share capital

(INR in Thousands)

	As at 31 March 2019	As at 31 March 2018
Authorised		
8,200 thousand (31 March 2018: 2,000 thousand) equity shares of Rs. 10 each	82,000	20,000
41,800 thousand (31 March 2018: 48,000 thousand) 8% optionally convertible non-commulative redeemable preference shares of Rs. 10 each	418,000	480,000
	500,000	**500,000**
Issued, subscribed and paid up		
8,199.76 thousand (31 March 2018: 1,999.76 thousand) equity shares of Rs. 10 each	81,998	19,998
Nil (31 March 2018: 6,200 thousand) 8% optionally convertible non- commulative redeemable preference shares of Rs. 10 each	-	62,000
	81,998	**81,998**

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

	31 March 2019		31 March 2018	
Particulars	**Number of shares**	**INR in Thousands**	**Number of shares**	**INR in Thousands**
Equity shares				
At the commencement of the year	1,999,766	19,998	1,999,766	19,998
Add: conversion of preference shares into equity shares	6,200,000	62,000	-	-
At the end of the year	8,199,766	81,998	1,999,766	19,998
8% Optionally convertible non- cummulative redeemable preference shares				
At the commencement of the year	6,200,000	62,000	6,200,000	62,000
Less: coversion of preference shares into equity shares	(6,200,000)	(62,000)	-	-
At the end of the year	-	-	6,200,000	62,000

b) Rights, preferences and restriction attached to equity shares:

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 on winding up. The equity shares are entitled to receive dividends as declared from time to time subject to preferential rights of preference shareholders to payment of dividend. The voting rights of equity shareholders on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company. Voting rights can not be exercised in respect of shares on which any call or other sums presently payable have not been paid.

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, including to preference share holders. However, no such preferential amounts, except preference shares, exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March 2019		31 March 2018	
Particulars	**Number of shares**	**% holding**	**Number of shares**	**% holding**
Equity shares of Rs. 10 each fully paid up held by				
Jubilant Life Sciences Limited, the holding company	6,200,000	76%	-	-
Jubilant Drug Development Pte Limited, (including 6 shares held by Jubilant Drug Development Pte Limited jointly with 6 different individuals/ companies)	1,999,766	24%	1,999,766	100%
8% Optionally convertible non- cummulative redeemable preference shares held by Jubilant Life Sciences Limited, the ultimate holding company	-	-	6,200,000	100%

e) During the five years immediatley preceeding the financials year 31 March 2019, the Company has not issued any bonus shares and shares for consideration other than cash. The Company has also not bought back any shares.

Nature and purpose of other reserves

Capital reserve

Capital reserve represents equity recognised in connection with share based payment transaction from holding Company.

Capital redemption reserve

Capital redemption reserve represents the unutilized accumulated amount set aside at the time of redemption of shares. This reserve is utilized in accordance with the provisions of the Act.

Remeasurement of defined benefit obligation

Remeasurement of defined benefit obligation comprises actuarial gains and losses.

Note 15: Borrowings

(INR in Thousands)

	As at 31 March 2019	As at 31 March 2018
Long term maturities of Finance lease obligations (secured)	4,062	5,265
Total non-current borrowings	**4,062**	**5,265**

Note 15 (a)

(INR in Thousands)

	As at 31 March 2018	As at 31 March 2018
Borrowings (including the current maturities on finance lease) at the begining of the year	6,970	6,366
Asset purchase during the year	1,525	2,256
Movement due to cash transactions as shown in statement of cash flow	(2,521)	(1,652)
Borrowings (including the current Maturities on finance lease) at the end of the year	**5,974**	**6,970**

Note 15 (b)

Finance lease obligation is secured by hypothecation of specific assets taken under such lease. The same are repayable in maximum period of five years.

Note 16: Provisions

(INR in Thousands)

	As at 31 March 2019		As at 31 March 2018	
	Current	**Non- current**	**Current**	**Non- current**
Provision for employee benefits (refer note 30)	8,189	49,621	6,695	44,003
Total provisions	**8,189**	**49,621**	**6,695**	**44,003**

Note 17: Trade payables

(INR in Thousands)

	As at 31 March 2019	As at 31 March 2018
Current		
Total outstanding due to Micro, small and medium enterprises	8,406	5,767
Total outstanding due to other than Micro, small and medium enterprises	79,408	49,260
Total trade payables	**87,814**	**55,027**
Amount payable to Related parties included in above (note 34)	26,144	6,495

Micro, Small and Medium Enterprises

There are no micro, small and medium enterprises, to whom the company owes dues, which are outstanding for more than 45 days/credit period as at the end of year. The information as required to be disclosed in relation to micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at 31 March 2019	As at 31 March 2018
The principal amount remaining unpaid to any supplier as at the end of the year	8,406	5,767
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-	-
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

Note 18: Other current financial liabilities

(INR in Thousands)

	As at 31 March 2019	As at 31 March 2018
Current maturities of finance lease obligations (refer note 15(b))	1,911	1,705
Capital creditors	1,940	4,331
Employee benefits payable	9,775	13,335
Total other current financial liabilities	**13,626**	**19,370**

Note 19: Other current liabilities

(INR in Thousands)

	As at 31 March 2019	As at 31 March 2018
Advance from customers	23,511	30,932
Statutory dues payables	9,734	5,931
Total other current liabilities	**33,245**	**36,863**

Note 20: Revenue from operations

(INR in Thousands)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of services	1,232,197	1,005,597
Other operating revenue		
- Scrap Sales	4,028	1,974
- Liabilities written back	-	91
Total revenue from operations	**1,236,225**	**1,007,663**

Disaggregation of revenue from sale of services

In the following table, revenue is disaggregated by primary geographical market and service lines.

	For the year ended 31 March 2019	For the year ended 31 March 2018
Primary geographical markets		
Within India	135,924	104,289
Outside India	1,096,273	901,308
Total	**1,232,197**	**1,005,597**
Major service lines		
Full time equivalent (FTE)	803,918	649,882
Fee for service (FFS)	428,279	355,715
	1,232,197	**1,005,597**

Contract Balances

(INR in Thousands)

	As at 31 March 2019	As at 31 March 2018
Trade receivables	185,517	123,575
Unbilled revenue	15,928	4,799
Contract liabilities	23,511	30,239

The unbilled revenue primarily relate to the Company's right to consideration for work completed but not bill on reporting date. The unbilled revenue are transferred to receivables when company issues an invoice to the customer. The contract liabilities primarily relate to the advance received from customers, revenue is recognised against the same as or when the performance obligation is satified.

The amount of INR 30,239 thousands recongised in contract liabilities at the beginning of the year has been recognised as revenue for the year ended 31st March 2019.

Note 21: Other income

(INR in Thousands)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income	15,443	5,184
Other non-operating income	0	18
Net foreign exchange gain	3,504	1,289
Total other income	**18,947**	**6,491**

Note 22: Changes in inventories of Raw material & work-in-progress

(INR in Thousands)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance		
Raw Material	6,150	10,002
Work-in progress	27,647	27,137
Opening balance	33,797	37,139
Closing balance		
Raw Material	-	6,150
Work-in-progress	29,757	27,647
Closing balance	29,757	33,797
(Increase)/ decrease in inventory	**4,040**	**3,342**

Note 23: Employee benefit expense

(INR in Thousands)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages, bonus, gratuity and allowances	286,984	270,125
Contribution to provident fund, superannuation and other funds	15,916	14,726
Staff welfare expenses	18,666	17,746
Total employee benefit expense	**321,566**	**302,597**

Note 24: Finance costs

(INR in Thousands)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Finance cost on finance lease obligations	1,751	1,605
Interest expense	1	2,731
Total finance cost	**1,752**	**4,336**

Note 25: Depreciation and amortisation expense

(INR in Thousands)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment	39,155	43,316
Amortisation of intangible assets	922	1,117
Total depreciation and amortisation expense	**40,077**	**44,433**

Note 26: Other expenses

(INR in Thousands)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Consumption of stores and spares and packing materials	377,156	275,332
Rent	32,111	32,191
Rates and taxes	578	256
Insurance	1,385	2,236
Advertisement and sales promotion	148,391	45,982
Travelling and conveyance	13,974	7,678
Repairs and maintenance		
Plant and machinery	28,178	24,618
Buildings	6,795	3,741
Others	4,180	3,817
Office expenses	53,904	53,190
Vehicle running and maintenance	1,193	882
Printing and stationery	1,883	1,590
Telephone and communication charges	1,255	1,317
Staff recruitment and training	2,884	2,104
Donation (refer note no. 36)	2,344	983
Payments to auditors (refer note (i) below)	100	100
Legal and professional fees	22,013	30,940
Freight and forwarding	11,508	6,710
Subscription	8,535	8,360
Bank charges	800	1,003
Loss on sale/ write off of property, plant and equipment (net)	3,884	684
Provision/write off bad debts (net)	-	8
Miscellaneous expenses	143	150
Total other expenses	**723,194**	**503,873**

(i) Payments to auditors (excluding goods and service tax)

(INR in Thousands)

	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor:		
Statutory audit	100	100
Total payments to auditors	**100**	**100**

Note 27: Income tax

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

Statement of Profit and Loss:

Profit or loss section

(INR in Thousands)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current income tax:		
Current income tax charge for the year	35,182	33,304
Adjustments in respect of current income tax of previous year	-	95
	35,182	**33,399**
Deferred tax:		
Relating to origination and reversal of temporary differences	1,583	3,680
Adjustments in respect of deferred tax of previous year	53	(23)
MAT credit on profits for the year	10,851	23,562
	12,487	**27,219**
Income tax expense reported in the statement of profit or loss	**47,669**	**60,618**
OCI section		
Tax related to items that will not be reclassified to Profit & Loss:	(247)	(333)
Income tax charged to OCI	**(247)**	**(333)**

Reconciliation between average effective tax rate and applicable tax rate for 31 March 2019 and 31 March 2018:

(INR in Thousands)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Accounting profit before income tax	164,543	155,574
At India's statutory income tax rate of 29.12% (31 March 2018: 34.608%)	47,915	53,841
- Effect of non-deductible expenses	341	1,113
- Effect of deductible allowance	(619)	(735)
- Effect of rate change on deferred tax *	-	6,327
- Others	32	72
Income tax expense reported in the statement of profit and loss	**47,669**	**60,618**

Note 28: 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: INR 2,035 Thousands (31 March 2018: INR 2,035 Thousands).

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

(INR in Thousands)

Name of the Statute	Nature of dues	As at 31 March 2019	As at 31 March 2018
Income Tax Act, 1961	Income Tax	11,18,932	680,252
Finance Act, 1994	Service tax	32,943	90,907

The above does not include all other obligations resulting from claims, legal pronouncements having financial impact in respect of which the Company generally performs the assessment based on the external legal opinion and the amount of which can not be reliably estimated.

Note 29: Commitments as at year end

a) Capital commitments:

Estimated amount of purchase orders released on account of Capital Expenditure as on 31 March 2019 (Net of advances) is INR 31,236 Thousands (31 March 2018: INR 4,017 Thousands)

b) Leases:

i) The Company’s significant operating lease arrangements are in respect of premises (residential, offices etc.). These leasing arrangements, which are cancellable, range between 11 months and 9 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are INR 32,111 Thousands (31 March 2018: INR 32,191 Thousands).

Future minimum lease payments under operating leases are as follows:

(INR in Thousands)

Particulars	Minimum lease payments	
	As at 31 March 2019	As at 31 March 2018
Payable in less than one year	7,600	22,800
Payable between one and five years	-	7,600
Payable after more than five years	-	-
Total	**7,600**	**30,400**

ii) Assets acquired under finance lease:

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

(INR in Thousands)

Particulars	Minimum lease payments		Present value of minimum lease payments		Future interest	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Payable in less than one year	3,380	3,384	1,911	1,705	1,469	1,679
Payable between one and five years	6,438	8,727	4,062	5,265	2,376	3,462
Payable after more than five years	-	-	-	-	-	-

There is no element of contingent rent or sub lease payments. The Company has option to purchase the assets at the end of the lease term. There are no restrictions imposed by these lease arrangements regarding dividend, additional debt and further leasing.

c) Other Commitments:

The Company is a 100% Export Oriented Unit (EOU) therefore, the Company had to earn positive net foreign exchange over a period of 5 years in view of its recognition as 100% EOU under EOU Scheme 2015-20. However, the company has already achieved the positive net foreign exchange earnings.

Note 30: Employee Benefits in respect of the Company have been calculated as under:

(A) Defined Contribution Plans

The company has certain defined contribution plan such as Provident fund, employee state insurance, employee pension scheme wherein specified percentage is contributed to them. During the year the Company has contributed following amounts to:

(INR in Thousands)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Employer's contribution to provident fund	8,289	7,168
Employer's contribution to employee's pension scheme 1995	5,305	5,121
Employer's contribution to employee state insurance	1,077	1,273
Total	**14,671**	**13,562**

(B) Defined Benefit Plans

i) Gratuity

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The discount rate assumed is 7.65 % p.a. (31 March 2018: 7.70 % p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds. The retirement age has been considered at 58 years (31 March 2018: 58 years) and mortality table is as per IALM (2006-08) (31 March 2018: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. for first three years and 6% p.a. thereafter (31 March 2018: 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:

(INR in Thousands)

Particulars	31 March 2019	31 March 2018
Present value of obligation at the beginning of the year	25,596	20,649
Current service cost	4,717	4,273
Interest cost	1,971	1,549
Actuarial loss	848	962
Benefits paid	(1,935)	(1,837)
Present value of obligation at the end of the year	31,197	25,596

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

(INR in Thousands)

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of obligation at the end of the year	31,197	25,596
Fair value of plan assets at the end of the year	-	-
Net liabilities recognised in the Balance Sheet	(31,197)	(25,596)

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

(INR in Thousands)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	4,717	4,273
Interest cost	1,971	1,549
Net cost recognized in the statement of profit and loss	6,688	5,822

Amount recognized in the other comprehensive income:

(INR in Thousands)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial (Gain) due to Demographic assumption change	(130)	(33)
Actuarial (Gain)/Loss due to Financial assumption change	95	(296)
Actuarial Loss due to experience adjustment	883	1,292
Amount recognised in the statement of other comprehensive income	**848**	**963**

Company's best estimate of contribution during next year is INR 7,703 Thousands (31 March 2018: INR 6,648 Thousands)

Sensitivity analysis

Discount Rate

(INR in Thousands)

Particulars	31 March 2019		31 March 2018	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(967)	1,029	(763)	811

Future salary increase

(INR in Thousands)

Particulars	31 March 2019		31 March 2018	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	1,036	(983)	816	(776)

ii) Other long term benefits (compensated absences & sick leaves):

(INR in Thousands)

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of obligation at the end of the year	26,613	25,102

Note 31: Fair value measurements

(INR in Thousands)

	Note	31 March 2019			31 March 2018		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets							
Trade receivables	(a)	-	-	185,517	-	-	123,575
Cash and cash equivalents	(a)	-	-	39,666	-	-	16,202
Other bank balances	(a),(b)	-	-	2,067	-	-	4,080
Loans	(a),(b)	-	-	261,966	-	-	231,089
Other financial assets	(a),(b)	-	-	21,560	-	-	6,112
Total financial assets		-	-	**510,776**	-	-	**381,058**
Financial liabilities							
Borrowings	(c)	-	-	4,062	-	-	5,265
Trade payables	(a)	-	-	87,814	-	-	55,027
Other financial liabilities	(a)	-	-	13,626	-	-	19,370
Total financial liabilities		-	-	**105,502**	-	-	**79,662**

There are no transfer between Level 1, Level 2 and Level 3 during the year ended 31 March 2019 and 31 March 2018.

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 difference between carrying value and fair value.

(c) Fair value of Borrowing is as below:

(INR in Thousands)

Particulars	Level of Hierarchy	31 March 2019	31 March 2018
Other borrowings	3	4,062	5,265

Note 32: Financial risk management

A. Financial risk management

i. ***Risk management framework***

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

The Company through three layers of defense namely policies and procedures, reviews mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand and their roles and obligations. The Audit committee of the Board with top management oversees the formulation and implementation of the risk management policies. The risks are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

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

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

ii. Credit risk

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

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

Trade and other receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financials statements, credit agency information, industry information and business intelligence. Sales 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 customer of the company are spread across, North America, Europe, Asia and rest of the world region though majority of customers are based out of North America and accordingly, trade account receivables are concentrated in these geographies. To reduce credit risk, the company has performed ongoing credit evaluation of customers. As of 31st March 2019 and 31st March 2018, one customer (Orion Corporation) is having 23%, and (Site One Therapeutics) 24% share in total trade receivable of the company respectively.

Expected credit loss for trade receivables:

With respect to trade receivables based on the internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The company estimates its allowance for trade receivable using lifetime expected credit loss. The balance past due for more than 6 months (net of expected credit loss allowance), excluding receivable from group companies is INR 1,900 thousands (31 March 2018 INR 1,750 thousands Movement in expected credit loss allowance of trade receivable are as follows:

(INR in Thousands)

	As at 31 March 2019	As at 31 March 2018
Opening balance as of 1 April	146	138
Add: provided for the year (net of reversal)	-	8
Less: Amount written off	-	-
Balance as at end of the year	**146**	**146**

Expected credit loss on financial assets other than trade receivables:

With regards to all the financials 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 financials assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The management is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily by management. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements

(INR in Thousands)

As at 31 March 2019	Carrying amount	Total	Contractual Cash Flow Within one year	More than one year
Non-derivative financial liabilities				
Borrowings	4,062	4,062	-	4,062
Trade payables	87,814	87,814	87,814	-
Other financial liabilities	13,626	13,626	13,626	-

(INR in Thousands)

As at 31 March 2018	Carrying amount	Total	Contractual Cash Flow Within one year	More than one year
Non-derivative financial liabilities				
Borrowings	5,265	5,265	-	5,265
Trade payables	55,027	55,027	55,027	-
Other financial liabilities	19,370	19,370	19,370	-

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of Company. The functional currency of Company is primarily the INR. The currencies to which Company is exposed to risk are USD, EUR, GBP and CHF.

Exposure to currency risk

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

(INR in Thousands)

	31 March 2019					**31 March 2018**			
	USD	**EUR**	**GBP**	**CHF**	**JPY**	**USD**	**EUR**	**GBP**	**CHF**
Cash and cash equivalents	13,917	1,761	-	-	-	7,646	7		-
Trade receivables	175,584	3,895	-	-	-	117,088	1,422		-
Financial assets	15,928	-	-	-	-	-	36		
Financial Liabilities	23,511	557	-	-	-	30,850	-		
Trade payables	38,111	1,416	1,328	1109	788	9,672	-	164	66
Net statement of financial position exposure	**143,807**	**3,683**	**(1328)**	**(1,109)**	**(788)**	**84,212**	**1,465**	**(164)**	**(66)**

Sensitivity analysis

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

(INR in thousands)

	Profit or loss	
	Strengthening	**Weakening**
31 March 19		
EUR (1% movement)	37	(37)
USD (1% movement)	1,438	(1,438)
GBP (1% movement)	(13)	13
CHF (1% movement)	(11)	11
JPY (1% movement)	(8)	8
31 March 18		
EUR (1% movement)	15	(15)
USD (1% movement)	842	(842)
GBP (1% movement)	(2)	2
CHF (1% movement)	(1)	1

Exposure to Interest Risk

The Company does not have floating rate borrowings hence does not expose to interest rate risk.

Note 33: Capital management

(a) Risk management

The Company objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings (excluding finance lease) net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet).

The Company having nil borrowing (other than finance lease obligations) as on 31 January 2019 (31 March 2018: Rs. Nil)

Note 34: Related Party Disclosures

1. Name of the Related Parties

Particulars	31 March 2019	31 March 2018
Holding Company	Jubilant Life Sciences Limited	Jubilant Drug Development Pte Limited, Singapore
Intermediate Holding Company		Jubilant Life Sciences (BVI) Limited Drug Discovery and Development Solutions Limited
Ultimate Holding Company		Jubilant Life Sciences Limited
Subsidiary Company	Jubilant Clinsys Limited	Jubilant Clinsys Limited w.e.f. 08/09/2017
Fellow Subsidiaries	Jubilant Biosys Limited	Jubilant Biosys Limited
	Jubilant Discovery Services LLC, USA (formerly Jubilant Discovery Services Inc., USA)	Jubilant Discovery Services LLC, USA (formerly Jubilant Discovery Services Inc., USA)
	Jubilant Generics Limited	Jubilant Generics Limited
	Trial Stat Solutions Inc.(Earlier known as Jubilant Drug Discovery and Development Inc.)	
Key Management Personnel (KMP)	Dr Vikas Shreekrishna Shirsath	
Others	Jubilant Bhartia Foundation	

31 March 2019

(INR in Thousands)

Sr.No	Particulars	Ultimate Holding Company /Subsidiary/ Fellow Subsidiaries /KMP	Total
Description of Transactions:			
1.	**Sales of Goods and Services:**		
	Jubilant Biosys Limited	150,048	150,048
	Jubilant Life Sciences Limited	32	32
		150,080	**150,080**
2.	**Purchase of goods and services:**		
	Jubilant Biosys Limited	1,101	1,101
	Jubilant Life Sciences Limited	22,175	22,175
		23,276	**23,276**
3.	**Recovery of Expenses:**		
	Jubilant Biosys Limited	510	510
	Jubilant Generics Limited	510	510
	Jubilant Life Sciences Limited	25	25
		1,045	**1,045**
4.	**Reimbursement of Expenses:**		
	Jubilant Biosys Limited	13,688	13,688
	Jubilant Life Sciences Limited	22,413	22,413
	Jubilant Generics Limited	15,766	15,766
		51,867	**51,867**
5.	**Rent Expenses:**		
	Jubilant Life Sciences Limited	9,249	9,249
		9,249	**9,249**
6.	**Business Development Expenses:**		
	Jubilant Discovery Services LLC, USA	40,092	40,092
	Trial Stat Solutions Inc.	42,371	42,371
	Drug Discovery and Development Solutions Limited	57,590	57,590
		140,053	**140,053**
7.	**Loan given /(return) during the year:**		
	Jubilant Life Sciences Limited	(50,000)	(50,000)
	Jubilant Life Sciences Limited	40,000	40,000
	Jubilant Biosys Limited	40,000	40,000
		30,000	**30,000**
8.	**Purchase of Fixed Assets:**		
	Jubilant Generics Limited	367	367
	Jubilant Biosys Limited	28	28
		395	**395**
9.	**Interest Received:**		
	Jubilant Life Sciences Limited	14,104	14,104
	Jubilant Biosys Limited	1,128	1,128
		15,232	**15,232**
10.	**Remuneration to KMP**	**8,376**	**8,376**

Sr.No	Particulars	Ultimate Holding Company /Subsidiary/ Fellow Subsidiaries/KMP	Total
11.	**Donation:**		
	Jubilant Bhartia Foundation	2,334	2,334
		2,334	**2,334**
12.	**Amount Outstanding:**		
	Trade and other payables:		
	Jubilant Biosys Limited	1,287	1,287
	Jubilant Life Sciences Limited	500	500
	Jubilant Discovery Services LLC, USA	3,700	3,700
	Jubilant Generics Limited	1,292	1,292
	Trial Stat Solutions Inc.	6,916	6,916
	Drug Discovery and Development Solutions Limited	12,449	12,449
		26,144	**26,144**
13.	**Trade Receivables:**		
	Jubilant Biosys Limited	7,720	7,720
	Jubilant Life Sciences Limited	29	29
		7,749	**7,749**
14.	**Loan Receivable Outstanding:**		
	Jubilant Life Sciences Limited	210,000	210,000
	Jubilant Biosys Limited	40,000	40,000
		250,000	**250,000**
15.	**Other Receivable Outstanding:**		
	Jubilant Life Sciences Limited	4,441	4,441
		4,441	**4,441**
16.	**Other Recoverable Outstanding:**		
	Jubilant Life Sciences Limited	**25**	**25**
		25	**25**

31 March 2018

(INR in Thousands)

Sr.No	Particulars	Ultimate Holding Company /Subsidiary/ Fellow Subsidiaries/KMP	Total
Description of Transactions:			
1.	**Sales of Goods and Services:**		
	Jubilant Biosys Limited	114,423	114,423
	Jubilant Life Sciences Limited	59	59
		114,482	**114,482**
2.	**Purchase of Goods and Services:**		
	Jubilant Life Sciences Limited	9,108	9,108
		9,108	**9,108**
3.	**Recovery of Expenses:**		
	Jubilant Biosys Limited	481	481
	Jubilant Generics Limited	481	481
		962	**962**

Sr.No	Particulars	Ultimate Holding Company /Subsidiary/ Fellow Subsidiaries	Total
4.	**Reimbursement of Expenses:**		
	Jubilant Biosys Limited	11,582	11,582
	Jubilant Life Sciences Limited	32,958	32,958
	Jubilant Generics Limited	16,042	16,042
		60,582	**60,582**
5.	**Rent Expenses:**		
	Jubilant Life Sciences Limited	9,190	9,190
		9,190	**9,190**
6.	**Business Development Expenses:**		
	Jubilant Discovery Services LLC, USA	42,576	42,576
		42,576	**42,576**
7.	**Loan given during the year:**		
	Jubilant Life Sciences Limited	2,20,000	2,20,000
		2,20,000	**2,20,000**
8.	**Investment purchased:**		
	Jubilant Drug Development Pte ltd, Singapore	40,975	40,975
		40,975	**40,975**
9.	**Interest Received:**		
	Jubilant Life Sciences Limited	1,065	1,065
		1,065	**1,065**
10.	**Remuneration to KMP**	-	-
11.	**Amount Outstanding:**		
	Trade and other payables:		
	Jubilant Biosys Limited	897	897
	Jubilant Life Sciences Limited	691	691
	Jubilant Discovery Services LLC, USA	3,584	3,584
	Jubilant Generics Limited	1,323	1,323
		6,495	**6,495**
12.	**Trade Receivables:**		
	Jubilant Biosys Limited	1,137	1,137
	Jubilant Life Sciences Limited	58	58
		1,195	**1,195**
13.	**Loan Receivable Outstanding:**		
	Jubilant Life Sciences Limited	2,20,000	2,20,000
		2,20,000	**2,20,000**

Note 35: 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.

Note 36: Corporate Social Responsibility (CSR) expense

(INR in Thousands)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Prescribed CSR expenditure as per Section 135 of the Companies Act, 2013	2,292	983
Details of CSR spent during the financial year (1)		
a) Construction / acquisition of any asset	–	-
b) On purposes other than (a) above	2,292	983

(1) Included in Donation - Refer note 26

Note 37: Earnings per share

The calculation of profit attributable to equity shareholders and weighted average no. of equity shares outstanding for the purpose of basic and diluted earnings per share calculations are as follows:

(INR in Thousands)

Particulars		Year ended 31 March 2019	Year ended 31 March 2018
Profit for the year		**116,874**	**94,956**
Face value of the equity shares		**10**	**10**
Weighted average number of equity shares used in computing earnings per share			
For basic earnings per share			
No. of shares outstanding for whole year	Nos	1,999,766	1,999,766
Add: weighted average of 8% optionally convertible preference shares converted into equity shares of Rs 10 each at par on 31st January 2019	Nos	1,019,178	-
No. of shares for basic earnings per share	**Nos**	**3,018,944**	**1,999,966**
For diluted earnings per share:			
No. of shares for basic earnings per share	Nos.	3,018,944	1,999,766
Add: weighted average outstanding 8% optionally convertible preference shares before converting into equity shares of Rs 10 each at par on 31st January 2019	Nos.	5,180,822	6,200,000
No. of shares for diluted earnings per share	**Nos.**	**8,199,766**	**8,199,766**
Earnings per share (face value of INR 10 each)			
Basic	INR	**38.71**	**47.48**
Diluted	INR	**14.25**	**11.58**

*The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorization of these financial statements.

As per report of even date attached

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

For and on behalf of Board of Directors of
Jubilant Chemsys Limited

Pravin Tulsyan
Partner
Membership No: 108044

Vikas Shreekrishna Shirsath
Managing Director
DIN: 06575460

Arun Kumar Sharma
Director
DIN: 06991435

Place : Noida
Date : 15th May 2019

Noopur Agarwal
Company Secretary