INDEPENDENT AUDITOR'S REPORT

To the Members of Jubilant Clinsys Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Jubilant Clinsys Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including 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) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is 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.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the

Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) (iii) in the Ind AS financial statements, which explains that a material uncertainty exists on the Company's ability to continue as a going concern and the management's plan to overcome this material uncertainty.

Our opinion is not modified in respect of this matter.

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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) The going concern matter described under the Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

f) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

g) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements- Refer Note 24b to the Ind AS financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

   iv. The disclosures in the Ind AS 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 since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

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

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 7 May 2018

Annexure A to the Independent Auditor's Report to the Members of Jubilant Clinsys Limited on the Ind AS financial statements for the year ended 31 March 2018

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 programme of physical verification by which all fixed assets are verified annually. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

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

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

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

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

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

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, cess and any other statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, except for the matters stated below, there are no dues of income-tax, service tax and custom duty which have been deposited with the appropriate authorities on account of any dispute. As explained to us, the Company did not have any dues on account of sales tax, duty of excise and value added tax.

Name of the Statute	Nature of dues	Amount involved (Rs. In lakhs)	Amounts paid under protest (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	523.13	23.28	2008-2013	CESTAT, Allahbad
		33.02	-	2010-2011	CESTAT, New Delhi
		0.56	-	2007-2010	Assistant commissioner
Custom Act,1962	Custom duty	4.58	0.17	2007-2015	Deputy Commissioner

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

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

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

(xi) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration during the year as mentioned under section 197 read with Schedule V of the Companies Act, 2013. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

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

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

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

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

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

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

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 7 May 2018

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

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

We have audited the internal financial controls with reference to Ind AS financial statements of **Jubilant Clinsys Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Ind AS 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Ind AS Financial Statements

A Company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of Ind AS financial statements and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to Ind AS 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.

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

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Noida
Date: 7 May 2018

Jubilant Clinsys Limited
Balance Sheet as at 31 March 2018

(₹ in thousands)

	Notes	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,710	1,907
Intangible assets	4	105	209
Financial assets			
i. Loans	5(d)	6,729	6,724
ii. Other financial assets	5(e)	2,766	2,766
Income-tax assets (net)		768	3,670
Total non-current assets		**12,078**	**15,276**
Current assets			
Financial assets			
i. Trade receivables	5(a)	-	-
ii. Cash and cash equivalents	5(b)	1,723	278,527
iii. Other bank balances	5(c)	23,834	12,571
v. Other financial assets	5(e)	2,887	3,205
Other current assets	6	292	292
Total current assets		**28,736**	**294,595**
Total assets		**40,814**	**309,871**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	19,998	19,998
Other equity	8	20,665	287,902
Total Equity		**40,663**	**307,900**
LIABILITIES			
Current liabilities			
Financial liabilities			
i. Trade payables	9	123	123
Other current liabilities	10	28	87
Current tax liabilities (net)		-	1,761
Total current liabilities		**151**	**1,971**
Total liabilities		**151**	**1,971**
Total equity and liabilities		**40,814**	**309,871**

The accompanying notes form an integral part of the Ind AS financial statements.

As per our report of even date attached.

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

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

Pravin Tulsyan
Partner
Membership No: 108044

Benny Thomas
Director
DIN: 07241561

Shyamsundar Bang
Director
DIN:00011327

Place : Noida
Date : 7 May 2018

Sanjay Jain
Chief Financial Officer

Jubilant Clinsys Limited
Statement of Profit and Loss for the year ended 31 March 2018

(₹ in thousands)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	11	-	11,198
Other income	12	9,661	23,867
Total income		**9,661**	**35,065**
Expenses			
Employee benefits expense	13	-	1,499
Depreciation and amortisation expense	14	301	1,022
Other expenses	15	5,421	8,242
Total expenses		**5,722**	**10,763**
Profit before tax		**3,939**	**24,303**
Tax expense			
- Current tax	16	676	4,955
Total tax expense		676	4,955
Profit for the year		**3,263**	**19,348**
Total comprehensive income for the year		**3,263**	**19,348**
Earnings per equity share of ₹ 10 each	22		
Basic (₹)		1.63	9.68
Diluted (₹)		0.26	0.67

The accompanying notes form an integral part of the Ind AS financial statements.

As per our report of even date attached.

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

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

Pravin Tulsyan
Partner
Membership No: 108044

Benny Thomas
Director
DIN: 07241561

Shyamsundar Bang
Director
DIN:00011327

Place : Noida
Date : 7 May 2018

Sanjay Jain
Chief Financial Officer

Jubilant Clinsys Limited
Statement of Cash Flows for the year ended 31 March 2018

(₹ in thousands)

	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Cash flow from operating activities		
Net profit before tax	**3,939**	**24,303**
Adjustments :		
Depreciation and amortisation expense	301	1,022
Interest income	(9,660)	(10,230)
	(9,359)	**(9,208)**
Operating cash flow before working capital changes	(5,420)	15,095
(Increase) / decrease in other financial assets and Loans **	(6)	238,340
Decrease in other current liabilities	(59)	(61,775)
Cash (used in) / generated from operations	**(5,485)**	**191,660**
Income tax paid (net of refund)	465	23,247
Net cash (used in) / generated from operating activities	**(5,020)**	**214,907**
B. Cash flow from investing activities		
Loan received back from holding company	-	46,500
Movement in other bank balances*	(11,263)	253
Interest received	9,980	7,470
Net cash (used in) / generated from investing activities	**(1,283)**	**54,223**
C. Cash flow arising from financing activities		
Repayment of preference share Capital	(270,500)	-
Net cash used in financing activities	**(270,500)**	**-**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(276,803)**	**269,130**
Add: cash and cash equivalents at the beginning of year	278,526	9,396
Cash and cash equivalents at the end of the year (refer Note 5(b))	**1,723**	**278,526**

*Other bank balances ₹ 12,634 (31 March 2017: ₹ 12,571 thousand has restricted use)
**Other financials assets ₹ 2,766 (31 March 2017: ₹ 2,766 thousand has restricted use)

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

The accompanying notes form an integral part of the Ind AS financial statements.

As per our report of even date attached.

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

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

Pravin Tulsyan
Partner
Membership No: 108044

Benny Thomas
Director
DIN: 07241561

Shyamsundar Bang
Director
DIN:00011327

Place : Noida
Date : 7 May 2018

Sanjay Jain
Chief Financial Officer

Jubilant Clinsys Limited
Statement of changes in equity for the year ended 31 March 2018

A. Equity share capital

	(₹ in thousands)
Balance as at 1 April 2016	19,998
Changes in equity share capital during the year	-
Balance as at 31 March 2017	**19,998**
Changes in equity share capital during the year	-
Balance as at 31 March 2018	**19,998**

B. Other Equity

(₹ in thousands)

	Preference share capital	Reserves and Surplus		Items of other comprehensive income	Total
		Capital reserve	Retained earnings	Remeasurement of defined benefit obligation	
Balance as at 1 April 2016	**270,500**	**165**	**(1,901)**	**(210)**	**268,554**
Profit for the year	-	-	19,348	-	19,348
Total comprehensive income for the year	-	-	19,348	-	19,348
Balance as at 31 March 2017	**270,500**	**165**	**17447**	**(210)**	**287,902**
Profit for the year	-	-	3,263	-	3,263
Total comprehensive income for the year	-		3,263	-	3,263
Repayment of Preference Share Capital	(270,500)	-	-	-	(270,500)
Balance as at 31 March 2018	**-**	**165**	**20,710**	**(210)**	**20,665**

The accompanying notes form an integral part of the Ind AS 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 : 7 May 2018

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

Benny Thomas
Director
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Shyamsundar Bang
Director
DIN:00011327

Sanjay Jain
Chief Financial Officer

Note 1: Corporate Information

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

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 adoption of the following amendment in the Ind AS 7 effective from the current year. The said amendment requires the Company to provide disclosures which will enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The adoption of the above amendment to the Standard does not have any significant impact on the financial position or performance of the Company. The Company has not adopted any standard 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, ("the Act") and other relevant provisions of the Act. All the amounts included in the Financial statement are reported in thousands of Indian Rupees and rounded to nearest thousands, except per share data and unless stated otherwise. The financial statements are authorized for issue by Company's Board of Director on 7 May 2018.

(ii) ***Historical cost convention***

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

(iii) ***Going concern***

During the year, the Company has no pending service order for its existing business. Management is in the process of negotiating new business or evaluating the other business opportunities. No adjustments have been made to the carrying amount of assets and liabilities as at 31 March 2018 as in opinion of the management the assets are sufficient to discharge its liabilities in the normal course of business. Accordingly, the management considers that it is appropriate to prepare these financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

(b) Current versus non-current classification

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

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

The Company classifies all other assets as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

(c) Property, plant and equipment and Intangible assets

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

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

(i) Intangible assets

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

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

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

(ii) Depreciation methods, estimated useful lives and residual value

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

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Computer servers and networks	5 years	6 years

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

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

(iii) Derecognition

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

(d) Impairment of non-financial assets

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

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

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

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

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

(e) Financial Instrument

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded

at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

• Debt instruments at amortised cost

• Debt instruments at fair value through other comprehensive income (FVOCI)

• Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)

• Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

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

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

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

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

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

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

Debt instrument at FVPL

FVPL is a residual category for debt instruments.

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL.

However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

Impairment of financial assets

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

Derecognition of Financial assets

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 modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting

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

(f) Cash and cash equivalents

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

(g) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(h) Revenue recognition

Clinical trial

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

(i) Income tax

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

- ***Current tax:***

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

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

- **Deferred tax:**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes unless exempted.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

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

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

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

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

(j) Leases

Operating leases

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

(k) Employee benefits

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

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

a) Gratuity

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

b) Provident fund

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

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

Other long-term employee benefits:

Compensated absences

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

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit *e*ntitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the 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).

Termination benefits:

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

(l) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

(m) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) *Diluted earnings per share*

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

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

(n) Measurement of fair values

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

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

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

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

(o) Critical estimates and judgements

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

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

- Recognition and estimation of current and deferred tax expense – Note 2(i)

- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(c)
- Estimation of assets and obligations relating to employee benefit – Note 2(k)
- Fair value measurement – Note 2(n).
- Estimated impairment of financial assets and non-financial assets- Note 2 (d), 2(e)
- Lease- Note 2 (j)

(p) Recent accounting pronouncements

Applicable standards issued but not yet effective

Ind AS 115, Revenue from contracts with customers

MCA vide its notification dated 28 March 2018, notified Ind AS 115, "Revenue from Contracts with Customers". Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.
The new revenue recognition standard is effective from 1 April 2018. The Company has completed its evaluation of the possible impact of Ind AS 115 and does not expect the impact of the adoption of the new standard to be material.

Appendix B, Foreign currency transactions and advance consideration to Ind AS 21, the effects of changes in foreign exchange rates

MCA vide its notification dated 28 March 2018, notified Appendix B, Foreign currency transactions and advance consideration to Ind AS 21. The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The amendment is effective from 1 April 2018. The Company is currently evaluating the impact of this amendment.

q. Redemption of Preference Shares

A scheme of reduction of share Capital of the Company has been approved by the shareholders of the Company and sanctioned by the National Company Law Tribunal of Allahabad (vide its Order dated 07 July 2017).

(i) Consequent to the scheme, the paid up Capital of the Company is Rs. 19,997,660 divided into 1,999,766 equity shares of Rs 10 each reduced from 290,497,660 divided into 1,999,766 equity shares of Rs. 10 each and 27,050,000 preference shares of Rs 10 each.

(ii) The use of word "AND REDUCED" in the name of Company or in the memorandum of association has been dispensed with.

Jubilant Clinsys Limited
Notes to the financial statements for the year ended 31 March 2018

Note 3: Property, Plant and equipment

(₹ in thousands)

Description	Furniture and fixtures (1)	Research Equipment's	Office equipment	Total
Gross carrying amount as at 1 April 2016	**2,094**	**21**	**2,540**	**4,655**
Gross carrying amount as at 31 March 17	**2,094**	**21**	**2,540**	**4,655**
Accumulated depreciation as at 1 April 2016	**969**	**12**	**1,084**	**2,065**
Depreciation Charges for the year	381	3	299	683
Accumulated depreciation as at 31 March 17	**1,350**	**15**	**1,383**	**2,748**
Net carrying amount as at 31 March 2017	**744**	**6**	**1,157**	**1,907**

(₹ in thousands)

Description	Furniture and fixtures (1)	Research Equipment's	Office equipment	Total
Gross carrying amount as at 1 April 2017	2,094	21	2,540	4,655
Gross carrying amount as at 31 March 2018	**2,094**	**21**	**2,540**	**4,655**
Accumulated depreciation as at 1 April 2017	**1,350**	**15**	**1,383**	**2,748**
Depreciation charges for the year	105	2	90	197
Accumulated depreciation as at 31 March 2018	**1,455**	**17**	**1,473**	**2,945**
Net carrying amount as at 31 March 2018	**639**	**4**	**1,067**	**1,710**

Note:
(1) Furniture and fixture includes leasehold improvements.

Note 4: Other intangible assets

(₹ in thousands)

Description	Software	Total
Gross carrying amount as at 1 April 2016	**1,280**	**1,280**
Gross carrying amount as at 31st March 17	**1,280**	**1,280**
Accumulated amortisation as at 1 April 2016	**732**	**732**
Amortisation for the year	339	339
Accumulated amortisation as at 31 March 2017	**1,071**	**1,071**
Net carrying amount as at 31 March 2017	**209**	**209**

(₹ in thousands)

Description	Software	Total
Gross carrying amount as at 1 April 2017	1,280	1,280
Gross carrying amount as at 31st March 2018	1,280	1,280
Accumulated amortisation as at 1 April 2017	**1,071**	**1,071**
Amortisation for the year	104	104
Accumulated amortisation as at 31 March 2018	**1,175**	**1,175**
Net carrying amount as at 31 March 2018	**105**	**105**

Note 5(a): Trade receivables

		(₹ in thousands)
	As at 31 March 2018	As at 31 March 2017
Unsecured and current		
Trade receivables	-	3,614
Expected credit loss allowance	3,614	3,614
Less: Bad Debts	3,614	-
Total receivables	-	-

Note 5(b): Cash and cash equivalents

		(₹ in thousands)
	As at 31 March 2018	As at 31 March 2017
Balances with banks		
- on current accounts	1,723	1,517
- on deposits accounts with original maturity up to three months	-	277,000
Cash on hand	-	1
Others		
- Imprest	-	9
Total cash and cash equivalents	**1,723**	**278,527**

Disclosure on Specified Bank Notes (SBN's)

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

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

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

The specified bank notes as defined under the notification issued by the Ministry of Finance, Department of Economic dated 8 November 2016 are no longer in existence. Hence, the Company has not provided the corresponding disclosures for current year as prescribed in Schedule III to the Companies Act, 2013.

Note 5(c): Other bank balances

		(₹ in thousands)
	As at 31 March 2018	As at 31 March 2017
Deposits accounts with maturity up to twelve months from the reporting date	23,834	12,571
Total other bank balance	**23,834**	**12,571**

₹ 12,634 thousand (31 March 2017: ₹ 12,571 thousand has restricted use)

Note 5(d): Loans

(₹ in thousands)

	As at 31 March 2018		As at 31 March 2017	
	Current	Non- current	Current	Non- current
Unsecured, considered good				
Security deposits	-	6,729	-	6,724
Total loans	**-**	**6,729**	**-**	**6,724**

Note 5(e): Other financial assets

(₹ in thousands)

	As at 31 March 2018		As at 31 March 2017	
	Current	Non- current	Current	Non- current
Deposits accounts with maturity after 12 months from the reporting date	-	2,766	-	2,766
Interest accrued on deposits with banks	2,869	-	3,189	-
Others	18	-	17	-
Total other financial assets	**2,887**	**2,766**	**3,205**	**2,766**

₹ 2,766 thousand (31 March 2017: ₹ 2,766 thousand) has restricted use.

Note 6: Other current assets

(₹ in thousands)

	As at 31 March 2018	As at 31 March 2017
Balance with government authorities	292	292
Total other current assets	**292**	**292**

Note 7: Share capital

	As at 31 March 2018	As at 31 March 2017
		(₹ in thousands)
Authorised		
2,000,000 (31 Mar 2017: 2,000,000) equity shares of Rs. 10 each	20,000	20,000
28,500,000 (31 Mar 2017: 28,500,000) preference shares of Rs. 10 each	285,000	285,000
Issued, subscribed and fully paid up		
1,999,766 (31 Mar 2017: 1,999,766) equity shares of Rs. 10 each	19,998	19,998
Nil (31 Mar 2017: 20,850,000) 6% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each	-	208,500
Nil (31 Mar 2017: 6,200,000) 8% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each	-	62,000
	19,998	290,498

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

	As at 31 March 2018	As at 31 March 2017
Equity shares of Rs. 10 each		
As at the commencement and end of the year	1,999,766	1,999,766
At the end of the year	1,999,766	1,999,766
Preference Shares of Rs 10 each		
6% Optionally convertible non- cumulative redeemable preference shares		
At the commencement	20,850,000	20,850,000
Repayment during the year	20,850,000	-
At the end of the year	-	20,850,000
8% Optionally convertible non- cumulative redeemable preference shares		
At the commencement and at the end of the year	6,200,000	6,200,000
Repayment during the year	6,200,000	-
At the end of the year	-	6,200,000

Rights, obligations and preferences attached to the equity shares

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

b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held.

Rights, obligations and preferences attached to the Preference shares

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

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

During the year ended 31 March 2018, the Company has repaid 20,850,000 shares (6% optionally convertible non-cumulative redeemable preference shares) of Rs. 10 each and 6,200,000 shares (8% optionally convertible non-cumulative redeemable preference shares) of Rs. 10 each by paying ₹ 270,500 thousands to the holders of preference shares as per Company Application #94(Ald) of 2016 approved by NCLT dated 7 July 2017.(Also refer Note 2q).

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

	As at 31 March 2018		As at 31 March 2017	
	No of shares	% holding	No of shares	% holding
Equity shares of Rs. 10 each paid up held by:				
Jubilant Drug Development Pte Limited, the holding company upto 7th Septem	-	0.00%	1,999,766	99.99%
(including 6 shares held by Jubilant Drug Development Pte Limited jointly with 6 different individuals)				
Jubilant Chemsys Limited, the holding company w.e.f. 8th September'2017	1,999,766	99.99%	-	0.00%
(including 6 shares held by Jubilant Chemsys Limited jointly with 6 different individuals)				
6% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each paid up held by:				
Jubilant Life Sciences Limited, the ultimate holding company	-	0.00%	20,850,000	100%
8% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each paid up held by				
Jubilant Life Sciences Limited, the ultimate holding company	-	0.00%	6,200,000	100%

Note 8: Nature and purpose of other equity

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

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

Note 9: Trade payables

(₹ in thousands)

	As at 31 March 2018	As at 31 March 2017
Current		
Trade payables - others	123	123
Total trade payables	**123**	**123**

Micro, Small and Medium Enterprises

There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2018. The information as required to be disclosed under the micro, small and medium enterprises development act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of the information available with the Company.

Note 10: Other current liabilities

(₹ in thousands)

	As at 31 March 2018	As at 31 March 2017
Statutory dues payables	28	87
Total other current liabilities	**28**	**87**

Jubilant Clinsys Limited
Notes to the financial statements for the year ended 31 March 2018

Note 11: Revenue from operations

(₹ in thousands)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of services	-	1,580
Other operating revenue *	-	9,618
Total revenue from operations	**-**	**11,198**

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

Note 12: Other income

(₹ in thousands)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest Income	9,660	10,228
Other non -operating Income	1	-
Foreign exchange gains (net)	-	13,639
Total other income	**9,661**	**23,867**

Note 13: Employee benefit expense

(₹ in thousands)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages, bonus, gratuity and allowances	-	1,431
Contribution to provident fund, superannuation and other funds	-	68
Total employee benefit expense	**-**	**1,499**

Note 14: Depreciation and amortisation expense

(₹ in thousands)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant and equipment	197	683
Amortisation of intangible assets	104	339
Total depreciation and amortisation expense	**301**	**1,022**

Note 15: Other expenses

(₹ in thousands)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Rental charges	2,064	1,794
Rates and taxes	327	292
Insurance	7	186
Office expenses	-	121
Staff recruitment and training	-	26
Payments to auditors (refer note 15(a) below)	120	227
Legal and professional fees	2,826	1,547
Bank charges	55	117
Provision/write off bad debts/irrecoverable advances (net)	-	2,772
Miscellaneous expenses	22	1,160
Total other expenses	**5,421**	**8,242**

Note 15(a): Details of payments to auditors (₹ in thousands)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Payment to auditors (excluding service tax and including out of pocket expenses)		
As auditor:		
Audit fee	120	90
Tax audit fee	-	35
In other capacities		
Certification fees	-	101
Total payments to auditors	**120**	**227**

Note 16: Income tax

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

Statement of profit and loss:

Profit or loss section

(₹ in thousands)

	For the year ended 31 March 2018	**For the year ended 31 March 2017**
Current income tax:		
Current income tax charge	118	4,955
Adjustments in respect of current income tax of previous year	558	-
Income tax expense reported in the statement of profit or loss	**676**	**4,955**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 and 31 March 2017:

(₹ in thousand)

	For the year ended 31 March 2018	**For the year ended 31 March 2017**
Accounting profit/(loss) before tax	3,939	24,303
At India's statutory income tax rate of 25.75% (31 March 2017: 33.063%)	1,014	8,036
- Effect of unrecognized deferred tax	(1,035)	(204)
- MAT credit entitlement not recognised	55	(2,877)
-Effect of prior year reassessments	558	-
-Effect of Permanent differences	84	-
Income tax expense reported in the statement of profit and loss	**676**	**4,955**

(₹ in thousand)

	For the year ended 31 March 2018	**For the year ended 31 March 2017**
Deferred tax on account of:		
Property, plant and equipment	798	1,826
Deferred tax asset, net	798	1,826
Less:- Deferred tax asset (net) not recognized in absence of reasonable certainty of	798	1,826
Deferred tax asset, net	-	-

Note 17: Employee Benefits in respect of the Company have been calculated as under:

(A) Defined Contribution Plans

The Company has certain defined contribution plans such as provident fund, employee pension scheme, where in specified percentage is contributed to them. However, the Company does not have any employees during the year and hence has not contributed any amount to provident fund and employee pension scheme.

During the previous year the Company has contributed following amounts to:

(₹ in thousands)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Employers contribution to provident fund	-	40
Employers contribution to employee’s pension scheme 1995	-	30

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

(B) Defined Benefit Plans

i. Gratuity

As the Company have no employees as on Balance Sheet date hence the Company has not carried out the actuarial valuation.

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

(₹ in thousands)

Particulars	31 March 2018	31 March 2017
Present value of obligation at the beginning of the year	-	1,276
Current service cost	-	(319)
Benefits paid	-	(957)
Present value of obligation at the end of the year	-	-

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

(₹ in thousands)

Particulars	31 March 2018	31 March 2017
Current service cost	-	(319)
Interest cost	-	-
Net cost recognised in the statement of profit and loss	-	(319)

Note 18: Fair value measurements

(₹ in thousands)

	Notes	31 March 2018			31 March 2017		
		FVPL	**FVOCI**	**Amortised cost**	**FVPL**	**FVOCI**	**Amortised cost**
Financial assets							
Trade receivables	(a)	-	-	-	-	-	-
Cash and cash equivalents	(a)	-	-	1,723	-	-	278,527
Other bank balances	(a)	-	-	23,834	-	-	12,571
Loans	(a),(b)	-	-	6,729	-	-	6,724
Other financial assets	(a),(b)	-	-	5,653	-	-	5,971
Total financial assets		-	-	**37,939**	**-**	**-**	**303,793**
Financial liabilities							
Trade payables		-		123	-	-	123
Total financial liabilities		**-**		**123**	**-**	**-**	**123**

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) There are no transfer between level 1, level 2 and level 3 during the year ended 31 March 2018 and 31 March 2017.

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Note 19: Financial risk management

A. Financial risk management

Risk management framework

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

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

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

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

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and from its financing activities, including deposit with banks, investments, foreign exchange transactions and other financial instruments.

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

Trade receivables and other financial assets

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

The customers balance is Nil as on 31st March'2018.

Expected credit loss for trade receivables:

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

(₹ in thousands)

	31 March 2018	**31 March 2017**
Balance at the beginning of the year	3,614	842
Less: Utilized during the year	3,614	-
Add: Provision during the year (net of reversal)	-	2,772
Balance at the end of the year	-	3,614

Expected credit loss on financial assets other than trade receivables:

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

ii. Liquidity risk

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

The management is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily by the 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.

(₹ in thousands)

As at 31 March 2018	**Contractual cash flows**			
	Carrying amount	**Total**	**Within 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Trade payables	123	123	123	-

(₹ in thousands)

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

iii. Market risk

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

Note 20: Capital Management

(a) Risk management

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

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

The Company is having Nil borrowings as on 31 March 2018 (31 March 2017: Nil).

Note 21: Related party transactions

(a) Related parties and nature of parties where control exists

Ultimate Holding Company
Jubilant Life Sciences Limited, India
Intermediate Holding Company
Jubilant Drug Development Pte. Limited, Singapore
Jubilant Life Sciences (BVI) Ltd.
Drug Discovery and Development Solutions Ltd. Singapore
Holding Company
Jubilant Drug Development Pte, Limited, Singapore up to 7th September'17
Jubilant Chemsys Ltd w.e.f.8th September'17.

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

Fellow Subsidiary

Jubilant Biosys Limited

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

(₹ in thousands)

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Ultimate Holding Company **Jubilant Life Sciences Limited**		
Repayment of Preference Share Capital	2,70,500	-
Loan repaid	-	46,500
Fellow subsidiary		
Jubilant Biosys Limited:		
Expenses reimbursed	525	184

Note 22: Earnings per share (EPS)

(₹ in thousands)

I.

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Profit for basic and diluted EPS of Rs 10 each	3,263	19,348

II.

Weighted average number of equity shares for earnings per share computation	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
a) Shares for basic EPS (Nos.)	1,999,766	1,999,766
b) Share for diluted EPS (Nos.)		
For basic EPS (Nos.)	1,999,766	1,999,766
Add: Optionally Convertible preference shares (Nos.)	10,745,890	27,050,000
Shares for diluted EPS (Nos.)	12,745,656	29,049,766

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

S. No	**Particulars**	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
a)	Basic earnings per share (Rs.)	1.63	9.68
b)	Diluted earnings per share (Rs.)	0.26	0.67

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

Note 23: 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 24: 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 ₹2,651 thousand (31 March 2017: ₹3,461 thousand) for import of various scientific equipment.

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

The Company had received audit objections consequent to routine audit conducted by the department. Accordingly the Company had filed various replies to the department. The Company had received three show cause notices from the Service tax department. The amount as computed by the department is estimated at ₹ 55,671 thousand (31 March 2017: ₹ 55,671 thousand).

The Company has received one show cause notice from Custom department. The amount as computed by department is estimated at Rs. 458 thousand.

Note 25: Leases

The Company's significant operating lease arrangements are in respect of premises (offices, etc.). These leasing arrangements, which are cancellable, range between 5 years and 10 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses and the total amount for the year is ₹ 2,064 thousand (31 March 2017: ₹ 1,794 thousand).

Note 26: Loan to Ultimate Holding Company pursuant to information required to be disclosed under section 186(4) of the Companies Act, 2013

(₹ in thousands)

Name of Ultimate Holding Company/ Particulars of disclosure(Unsecured Loan)	**Purpose/Term of Loan**	**31 March 2018**	**31 March 2017**
Jubilant Life Sciences Limited			
Outstanding as at the beginning of the year	General business purpose and interest rate 9.5%	-	46,500
Given during the year		-	-
Repaid during the year		-	46,500
Outstanding as at the end of the year		-	-

The accompanying notes form an integral part of the Ind AS financial statements.

As per our report of even date attached.

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

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

Pravin Tulsyan
Partner
Membership No: 108044

Benny Thomas
Director
DIN:07241561

Shyamsundar Bang
Director
DIN:00011327

Place : Noida
Date : 7 May 2018

Sanjay Jain
Chief Financial Officer