

JUBILANT CLINSYS LIMITED
BALANCE SHEET AS AT 31 MARCH 2014

Rs. '000

	Note	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	290,498	290,498
Reserves and surplus	3	5,389	(23,152)
		295,887	267,346
Non-current liabilities			
Long-term provisions	4	4,629	6,314
		4,629	6,314
Current liabilities			
Trade payables	5	21,052	19,547
Other current liabilities	6	32,576	48,861
Short-term provisions	7	8,845	20,331
		62,473	88,739
		362,989	362,399
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	12,255	98,780
Intangible assets	8A	2,022	5,250
Capital work-in-progress	8	524	218
Long-term loans and advances	9	57,940	69,700
Other non-current assets	10	147	2,565
		72,888	176,513
Current assets			
Inventories	11	-	4,169
Trade receivables	12	87,673	67,911
Cash and bank balances	13	24,025	27,527
Short-term loans and advances	14	171,784	72,170
Other current assets	15	6,619	14,109
		290,101	185,886
		362,989	362,399

Statement of significant accounting policies

1 A

The notes referred to above 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 No.: 101248W

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

Pravin Tulsyan
Partner
Membership No.: 108044

Paresh Gupta
Chief Financial Officer

Dr. Shirali Raina
Whole Time Director

Vaibhav Mrinal Kher
Company Secretary

Place: Noida
Date : 23 May 2014

JUBILANT CLINSYS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014

Rs. '000

	Note	For the year ended 31 March 2014	For the year ended 31 March 2013
REVENUE			
Revenue from operations	16	180,603	249,654
Other income	17	5,910	3,037
Total Revenue		186,513	252,691
EXPENSES			
Employee benefits expense	18	71,452	100,378
Depreciation	8	10,472	25,108
Amortization expense	8A	1,905	2,163
Other expenses	19	56,141	97,151
Total Expenses		139,970	224,800
Profit before exceptional items and tax		46,543	27,891
Exceptional items	20	16,176	(2,830)
Profit before tax		30,367	30,721
Tax Expense:			
- Current tax		6,365	6,147
- Less: MAT credit entitlement		(4,539)	(5,166)
		1,826	981
Profit for the year		28,541	29,740
Basic Earnings Per Share of Rs. 10 each (In Rupees)	31	14	15
Diluted Earnings Per Share of Rs. 10 each (In Rupees)	31	1	1

Statement of significant accounting policies

1 A

The notes referred to above 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 No.:101248W

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

Pravin Tulsyan
Partner
Membership No. 108044

Paresh Gupta
Chief Financial Officer

Dr. Shirali Raina
Whole Time Director

Vaibhav Mrinal Kher
Company Secretary

Place: Noida
Date : 23 May 2014

JUBILANT CLINSYS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

(Rs.'000)

	For the year ended 31 March 2014	For the year ended 31 March 2013
A. Cash flow arising from operating activities :		
Net profit before tax	30,367	30,722
Adjustments for:		
Depreciation and amortisation	12,377	27,271
Loss/(Gain) on sale of fixed assets	2	(14)
Bad debts/irrecoverable advances written off (net of write-in)	(801)	650
Unrealised (gain)/loss on exchange fluctuation-net	(6,870)	(4,086)
Interest income	(5,910)	(3,023)
Loss on sale of business	19,009	-
	17,807	20,798
Operating profit before working capital changes	48,174	51,520
Adjustments for :		
(Increase)/Decrease in trade and other receivables	(143,862)	11,300
(Increase)/Decrease in inventories	624	(230)
Increase in current liabilities and provisions	6,244	5,333
	(88,820)	67,923
Cash generated from operations	(88,820)	67,923
Direct taxes paid (net of refunds)	4,960	3,858
Net cash (used in) /provided by operating activities	(83,860)	71,781
B. Cash flow arising from investing activities :		
Acquisition/purchase of fixed assets/capital work in progress	(24,993)	(4,383)
Sale proceeds of fixed assets	63	74
Repayment by/loan to ultimate holding company (Including Interest accrued)	15,000	(60,843)
Movement in other bank balances	(5,858)	(3,521)
Interest received	3,288	4,909
	(12,500)	(63,764)
Net cash used in investing activities	(12,500)	(63,764)
C. Cash flow arising from financing activities :		
Sale proceeds from sale of business (Net of incidental expenses)	87,000	-
	87,000	-
Net cash generated from financing activities	87,000	-
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(9,360)	8,017
Add: cash and cash equivalents at the beginning of year	11,475	3,458
Cash and cash equivalents at the close of the year	2,115	11,475

Notes:

- 1) Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 (AS-3)-" Cash Flow Statements".
- 2) Purchase/acquisition of fixed assets includes movement of Capital Work-in-Progress during the year.

As per our report of even date attached

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

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

Pravin Tulsyan
Partner
Membership No. 108044

Paresh Gupta
Chief Financial Officer

Dr. Shirali Raina
Whole Time Director

Vaibhav Mrinal Kher
Company Secretary

Place : Noida
Date : 23 May 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

I. Corporate Information

Jubilant Clinsys Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the 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: Bioanalytical Services, Clinical Informatics, Clinical Pharmacology/Pathology, Data Management/EDC, Medical Affairs, Regulatory Services etc.

1A. Significant accounting policies

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

A. Basis of preparation and presentation of financial statements

The accounts of the Company are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, which as per clarification issued by the Ministry of Corporate Affairs continue to apply under Section 133 of the Companies Act, 2013 (which has superceded section 211 (3C) of the Companies Act 1956, w.e.f 12 September 2013), the other provisions of the Companies Act, 1956 (including the new notified sections under Companies Act, 2013, to the extent applicable). The financial statements are presented in Indian rupees rounded off to the nearest thousand.

The financial statements are presented as per Revised Schedule VI to the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

B. Use of estimates

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

C. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

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

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

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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

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

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

All other liabilities are classified as non-current.

Operating cycle

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

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

D. Tangible and Intangible Fixed Assets

Tangible fixed assets

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

Tangible fixed assets under construction are disclosed as capital work-in-progress.

Intangible fixed assets

Acquired intangible assets

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

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

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

E. Depreciation and Amortisation

Depreciation is provided on straight line method at rates mentioned and in the manner specified in Schedule XIV to the Companies Act, 1956 (as amended), and read with statement as mentioned hereunder, on the original cost/ acquisition cost of assets or other amounts substituted for cost.

Depreciation is provided at the rates, mentioned in Schedule XIV to the Companies Act, 1956 read with Notification dated 16th December, 1993 issued by Department of Company Affairs, Government of India except for the following classes of fixed assets which are depreciated as under:

- a. Research Equipments are depreciated over ten years.
- b. Vehicles are depreciated over five years.
- c. Office equipments including Computer and Information Technology related assets are depreciated over three to five years.
- d. Furniture and Fixture are depreciated over five years.
- e. Leasehold Improvements are amortized over the primary period of lease.

Software systems are being amortised over a period of three to five years being its useful life.

The depreciation rates so arrived at are currently reflective of the estimated useful life of fixed assets and are not lower than the rates prescribed vide Schedule XIV to the Companies Act, 1956.

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

Assets costing individually Rs. 5,000 (in absolute amount) or less are fully depreciated in the year of purchase.

F. Impairment of Fixed Assets

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

JUBILANT CLINSYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

date. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

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

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

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

G. Leases

Operating leases

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

H. Valuation of Inventories

The Company holds inventory of Chemicals, Reagents, Glasswares etc. 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.

Inventories are valued at lower of cost or net realisable value.

The methods of determining cost of inventories are as follows:

Chemicals, Reagents, Glasswares etc	Weighted average method
-------------------------------------	-------------------------

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

I. Income Tax

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

Current tax

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

Deferred tax

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

Minimum Alternate Tax (MAT)

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

J. Foreign Currency Conversions/ Translations

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

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

K. Provisions, Contingent Liabilities and Contingent Assets

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

L. Employee Benefits

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

JUBILANT CLINSYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

- (ii) Post-employment benefits: Post employment benefit plans are classified into defined contribution plans and defined benefit plans in line with the requirements of AS 15 on "Employee Benefits".

a. Gratuity

Gratuity which are defined benefits plan are recognised in the Statement of Profit and Loss based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial gains and losses arising from the experience adjustment and change in actuarial assumption are immediately recognised in the Statement of Profit and Loss as income or expense.

b. Provident Fund

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

c. Other Long Term Employee Benefits:

Other long-term employee benefits:

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation carried out at each Balance Sheet date. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits.

The Company's liability in respect of other long term employee benefits is actuarially determined (using the projected unit credit method) at the end of each year. 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.

M. Revenue Recognition

The Company offers its clinical research services and Bio-Analytical studies through various time and material, unit-based or fixed price contracts. Revenue from time and materials 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.

Interest income

Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction.

N. Earnings Per share

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

	As at 31 March 2014	As at 31 March 2013
2. SHARE CAPITAL		
Authorized		
2,000,000 equity shares of Rs. 10 each (Previous year 2,000,000 shares of Rs. 10 each)	20,000	20,000
28,500,000 preference shares of Rs 10 each (Previous year 28,500,000 shares of Rs. 10 each)	285,000	285,000
	305,000	305,000
Issued, Subscribed and paid up		
1,999,766 equity shares of Rs. 10 each (Previous year 1,999,766 shares of Rs.10 each)	19,998	19,998
20,850,000 6% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each (Previous year 20,850,000 preference shares of Rs. 10 each)	208,500	208,500
6,200,000 8% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each (Previous year 6,200,000 preference shares of Rs.10 each)	62,000	62,000
	290,498	290,498

Rights, obligations and preferences attached to the shares

2.1) 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.

2.2) 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.

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

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

8% 1,200,000 preference shares are redeemable on 31 December 2018 (originally the same were redeemable on 31 December 2013)

8% 1,500,000 preference shares are redeemable on 11 July 2018 (originally the same were redeemable on 11 July 2013)

8% 2,000,000 preference shares are redeemable on 31 March 2018 (originally the same were redeemable on 31 March 2013)

8% 500,000 preference shares are redeemable on 11 January 2018 (originally the same were redeemable on 11 January 2013)

8% 1,000,000 preference shares are redeemable on 13 July 2017 (originally the same were redeemable on 13 July 2012)

6% 2,150,000 preference shares are redeemable on 29 March 2017

6% 1,200,000 preference shares are redeemable on 19 December 2016

6% 4,000,000 preference shares are redeemable on 22 June 2016

6% 1,500,000 preference shares are redeemable on 19 December 2015

6% 2,000,000 preference shares are redeemable on 18 October 2015

6% 1,000,000 preference shares are redeemable on 20 September 2015

6% 4,000,000 preference shares are redeemable on 21 May 2015

6% 1,250,000 preference shares are redeemable on 30 April 2015

6% 3,750,000 preference shares are redeemable on 17 March 2015

2.4) Particulars of shareholders holding more than 5% shares of a class of share:	As at 31 March 2014	As at 31 March 2013
	% holding	% holding
Jubilant Drug Development Pte Limited, the holding company		
1,999,760 (previous year 1,999,760) equity shares of Rs. 10 each	99.99%	99.99%
Jubilant Life Sciences Limited, the ultimate holding company		
20,850,000 (previous year : 20,850,000) 6% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each	100%	100%
6,200,000 (previous year : 6,200,000) 8% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each	100%	100%

2.5) The reconciliation of the number of shares outstanding:	As at 31 March 2014	As at 31 March 2013
Equity Shares of Rs. 10 each		
As at the commencement and end of the year	1,999,766	1,999,766
6% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each		
As at the commencement and end of the year	20,850,000	20,850,000
8% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each		
As at the commencement and end of the year	6,200,000	6,200,000

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

Particulars	As at 31 March 2014	As at 31 March 2013
	Number of shares	Number of shares
Jubilant Drug Development Pte Limited, the holding company (including 6 shares held by the nominee sareholders)	1,999,766	1,999,766
<u>Jubilant Life Sciences Limited, the ultimate holding company</u>		
6% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each	20,850,000	20,850,000
8% optionally convertible non-cumulative redeemable preference shares of Rs. 10 each	6,200,000	6,200,000

	As at 31 March 2014	As at 31 March 2013
3. RESERVES AND SURPLUS		
(Deficit) as per Statement of Profit and Loss		
Opening Balance	(23,152)	(52,892)
Add: net profit for the year	28,541	29,740
Closing balance	5,389	(23,152)
4. LONG TERM PROVISIONS		
Employee benefits (refer note 29)	4,629	6,314
	4,629	6,314
5. TRADE PAYABLES		
Trade payables	21,052	19,547
* For payables to micro, small and medium enterprises (refer note 24)		
	21,052	19,547
6. OTHER CURRENT LIABILITIES		
Trade advances	16,813	14,479
Deferred revenue	8,500	20,062
Creditors for capital supplies	-	1,068
Bank overdraft	3,116	-
Statutory liabilities	1,825	1,750
Other payables	2,322	11,502
	32,576	48,861
7. SHORT-TERM PROVISIONS		
Income tax (net of TDS of Rs.34,137 thousands (previous year Rs.53,365 thousands))	5,489	13,392
Employee benefits (refer note 29)	1,045	286
Provision for bonus	2,311	6,653
	8,845	20,331

8 TANGIBLE ASSETS

Rs. '000

Description	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	As at 1 April 2013	Additions during the year	Deductions during the year	Eliminated on disposal of assets	As at 31 March 2014	Upto 31 March 2013	Depreciation expense for the year	Deductions during the year	Eliminated on disposal of assets	Upto 31 March 2014	As at 31 March 2014	As at 31 March 2013
TANGIBLE ASSETS												
Research equipments	174,037	20,321	-	194,279	79	97,169	6,125	-	103,238	56	23	76,868
Vehicles	366	-	-	366	-	348	-	-	348	-	-	18
Office equipments (including computers)	24,892	300	661	3,879	20,652	13,277	1,566	597	1,742	12,504	8,148	11,615
Furniture and fixtures	13,902	123	-	5,892	8,133	6,006	845	-	2,802	4,049	4,084	7,896
Leasehold improvements	33,428	3,624	-	37,052	-	31,045	1,936	-	32,981	-	-	2,383
Total	246,625	24,368	661	241,468	28,864	147,845	10,472	597	141,111	16,609	12,255	98,780
Previous Year	245,762	1,587	724	-	246,625	123,401	25,108	664	-	147,845		
Capital Work in Progress											524	218
Total Tangible Assets											12,779	98,998

8A INTANGIBLE ASSETS

Rs. '000

Description	GROSS BLOCK				ACCUMULATED AMORTIZATION				NET BLOCK	
	As at 1 April 2013	Additions/ adjustments during the year	Eliminated on disposal of assets	As at 31 March 2014	Upto 31 March 2013	Amortization expense for the year	Eliminated on disposal of assets	Upto 31 March 2014	As at 31 March 2014	As at 31 March 2013
INTANGIBLE ASSETS										
Software	10,265	-	3,206	7,059	5,015	1,905	1,883	5,037	2,022	5,250
Total	10,265	-	3,206	7,059	5,015	1,905	1,883	5,037	2,022	5,250
Previous Year	8,543	1,722	-	10,265	2,852	2,163	-	5,015		
Total Intangible Assets									2,022	5,250

	As at 31 March 2014	As at 31 March 2013
9. LONG TERM LOANS AND ADVANCES (unsecured and considered good)		
Capital advances	-	750
Security deposits	6,724	2,962
Advance recoverable in cash or kind	130	213
MAT credit entitlement	16,949	12,410
Advance income tax (net of provision of Rs. 6,365 thousands (previous year Rs. 6,147 thousands))	34,137	53,365
	57,940	69,700
10. OTHER NON-CURRENT ASSETS		
Deposits with original maturity of more than 12 months (refer note 13) (held with government authorities as lien against import under EPCG scheme)	147	2,565
	147	2,565
11. INVENTORIES		
Chemicals, reagents, glasswares etc.	-	4,169
	-	4,169
12. TRADE RECEIVABLES Unsecured, considered good unless stated otherwise Outstanding for period exceeding six months from the date they are due for payment		
Unsecured considered good	42,651	25,390
Doubtful	842	842
	43,493	26,232
Less : Allowances for doubtful receivables	842	842
	(A) 42,651	25,390
Other receivables		
Unsecured considered good	(B) 45,022	42,521
	Total (A+B) 87,673	67,911
13. CASH AND BANK BALANCES		
Cash and cash equivalent		
Cash in hand	33	95
Balances with banks:		
- In Current Accounts	1,934	11,360
Imprest and gift vouchers	148	20
	2,115	11,475
Other bank balances:		
- Deposits with original maturity of more than 3 months but less than 12 months (Given to government authorities as lien against import under EPCG scheme)	21,910	16,052
	24,025	27,527
14. SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)		
Inter corporate deposits with related parties	45,000	60,000
Service tax credit receivable	1,734	1,729
Prepaid expenses	3,328	3,645
Advance recoverable in cash or kind :		
- Related parties	121,413	3,373
- Others	309	3,423
	171,784	72,170
15. OTHER CURRENT ASSETS (Unsecured considered good)		
Unbilled revenue	897	11,010
Interest accrued but not due on :		
- Fixed deposits with banks	1,354	2,256
- Inter corporate deposits with related parties	4,368	843
	6,619	14,109

	For the year ended 31 March 2014	For the year ended 31 March 2013
16. REVENUE FROM OPERATIONS		
Bio-analytical / Bio-equivalence services	47,357	134,500
Contract clinical research and other services fees	131,368	111,066
Other operating revenue	1,878	4,088
Revenue from Operations (net)	180,603	249,654
17. OTHER INCOME		
Net profit on sale / discard of fixed assets	-	14
Other non-operating income		
- Interest income on inter corporate deposits	3,916	937
- Interest on fixed deposits with banks	1,988	2,086
- Interest others	6	-
	5,910	3,037
18. EMPLOYEE BENEFITS		
Salaries, wages, bonus, gratuity and allowances	64,944	90,478
Contribution to Provident fund and other funds	3,873	4,861
Staff welfare	2,635	5,039
	71,452	100,378
19. OTHER EXPENSES		
Lab chemicals, reagents, glasswares etc. consumed	8,172	19,057
Clinical trial testing	5,845	14,631
Repairs and maintenance	2,989	8,891
Power and fuel	1,043	1,548
Rent (net of recoveries of Rs. 6,144 thousands (previous year Rs. Nil))	6,048	9,158
Rates and taxes	9,218	6,342
Insurance	756	846
Advertisement, publicity and sales promotion	482	1,642
Traveling and other incidental expenses	3,095	3,588
Repairs to building	10	101
Office maintenance	9,073	15,983
Vehicle running and maintenance	337	472
Printing and stationery	1,045	1,686
Communication expenses	1,902	2,837
Staff recruitment and training	57	877
Auditors remuneration	90	75
- As auditors		
- For tax audit	35	35
- For other services	-	18
- Out of pocket expenses	-	16
Legal, professional and consultancy charges	5,582	8,400
Bank charges	320	272
Loss/(Gain) on sale/disposal of tangible fixed assets/Intangible fixed asset	2	-
Bad debts / irrecoverable advances written off / provided for	-	650
Miscellaneous expenses	40	25
	56,141	97,150
20. EXCEPTIONAL ITEMS		
Loss on sale of business (refer Note 21)	19,009	-
Foreign exchange (gain)	(2,833)	(2,830)
	16,176	(2,830)

JUBILANT CLINSYS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

21. During the year, the Company exited its "bio analytical and bio equivalence" business for a sale consideration of Rs 87,000 thousand and a loss of Rs. 19,009 thousand has been recognized under exceptional items.

22. Commitments**a) Capital Commitments:**

Estimated amount of Contracts remaining to be executed on Capital Account Rs. Nil (Previous year Rs.18,159 thousands) [Capital Advances Rs. Nil (Previous year Rs. 750 thousand)].

b) For lease commitment refer note 27**23. Contingent Liabilities to the extent not provided for:**

Outstanding guarantees furnished by banks on behalf of the Company is Rs.15,574 thousands (previous year Rs.16,574 thousands) for import of various scientific equipment.

24. Micro and Small Business Entities

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March, 2014. 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 information available with the Company.

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

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

	Rs. '000	
	As at 31 March 2014	As at 31 March 2013
Deferred Tax Assets on account of :		
Provision for employee benefits	1,929	2,243
Provision for doubtful debts	286	286
Amount disallowed U/s 43 B of Income Tax Act, 1961.	786	2,261
Total (A)	3,000	4,791
Deferred Tax Liabilities on account of :		
Depreciation and Amortization	588	1,300
Total (B)	588	1,300
Deferred Tax Asset - (Net)	2,412	3,491
Deferred tax assets recognized*	Nil	Nil

*Deferred tax asset has been recognized to the extent of deferred tax liability.

JUBILANT CLINSYS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

26. The Company has a sanctioned limit of Rs. 1,500 thousands as cash credit and Rs. 2,500 thousand against letter of credits ("LC"). These limits are secured by way of first charge on current assets of the Company. Also, letter of credit is secured by exclusive charge on capital equipment to be imported under LC from time to time. The Company has not utilized any of the above limits during the year.
27. The Company's significant operating lease arrangements are in respect of premises (residential, offices, etc.). These leasing arrangements, which are cancelable, range between 5 years and 10 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses and the total amount for the year is Rs. 6,048 thousands (net of recoveries made amounting to Rs. 6,144 thousand)(previous year Rs.9,158 thousand).
28. Based on the guiding principles given in the Accounting Standard on 'Segment Reporting' (AS-17), the Company is of opinion that its primary business segment is clinical research. As the Company's business activity falls within a single primary segment, the disclosure requirements of the said of AS-17 in this regard are not applicable.
29. Employee benefits have been calculated as under:

A) Defined Contribution Plans**a. Provident fund and Family Pension Scheme**

During the year the Company has contributed following amount to:

Rs. '000

	For the year ended 31 March 2014	For the year ended 31 March 2013
Employers Contribution to Provident Fund	3,873	4,286

b. State Plans

During the year the Company has contributed following amounts to:

Rs. '000

	For the year ended 31 March 2014	For the year ended 31 March 2013
Employers Contribution to Employee State Insurance	81	119

B) Defined Benefit Plans**i) Gratuity**

In accordance with Accounting Standard 15(AS 15)-"Employee Benefits (Revised 2005)", an actuarial valuation has been carried out in respect of gratuity.

JUBILANT CLINSYS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

Actuarial assumptions are as follows:

a) Economic Assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been agreed by the Company:

	For the year ended 31 March 2014 (%)	For the year ended 31 March 2013 (%)
i) Discounting Rate	9.40	8.00
ii) Future salary Increase	10.00	5.00
iii) Expected Rate of return on plan assets	0.00	0.00

b) Demographic Assumption

	For the year ended 31 March 2014.	For the year ended 31 March 2013
i) Retirement Age (Years)	58	58
ii) Mortality Table	IALM (2006 - 08)	
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	35.80	3.00
From 31 to 44 years	18.80	2.00
Above 44 years	0.00	1.00

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

Rs. '000

	Gratuity	
	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Present Value of obligation as at the beginning of period	2,798	2,233
Demerger adjustment	(1,722)	-
Current service cost	868	984
Interest cost	224	179
Actuarial (gain)/loss	476	287
Benefit paid	(47)	(885)
Present value of obligation as at the end of period	2,596	2,798

JUBILANT CLINSYS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

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

Rs. '000

	As at 31 March 2014	As at 31 March 2013
Present value of obligation as at the end of period	2,596	2,798
Fair value of plan assets at period end	-	-
Assets/(Liabilities) recognized in the Balance Sheet	2,596	2798

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

Rs. '000

	For the year ended 31 March 2014	For the year ended 31 March 2013
Current service cost	868	984
Interest cost	224	179
Actuarial (gain)/loss	476	287
Net cost recognized for the period	1,568	1,450

Experience Adjustment for the current year and previous four years:

Rs. '000

	For the year ended 31 March, 2014	For the year ended 31 March, 2013	For the year ended 31 March, 2012	For the year ended 31 March, 2011	For the year ended 31 March, 2010
Defined Benefit Obligation	2,596	2,798	2,233	2,382	2,054
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(2,596)	(2,798)	(2,233)	(2,382)	(2,054)
Experience Adjustment on plan liabilities (loss) / gain	1,293	(455)	(894)	(312)	1,176
Experience Adjustment on plan assets (loss) / gain	-	-	-	-	-

ii) Other long term benefits (compensated absences)

Rs '000

	As at year ended 31 March 2014	As at year ended 31 March 2013
Present Value of obligation	3,078	3,802

JUBILANT CLINSYS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014****30. Related Party Transactions****(a) Related Parties and nature of parties where control exists****Ultimate Holding Company**

Jubilant Life Sciences Limited, India

Intermediate Holding Company

Jubilant Pharma Pte. Ltd., Singapore

Holding Company

Jubilant Drug Development Pte, Limited

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

Jubilant Biosys Limited

Jubilant Chemsys Limited

Jubilant Clinsys Inc.

(c) Key Management Personnel

Dr. Shirali Raina, Executive Director

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

Particulars	For the year ended 31 March'2014	For the year ended 31 March'2013
<u>Ultimate Holding Company</u> <u>Jubilant Life Sciences Limited</u> Expenses reimbursed 767 Expenses Recharged 10,672 Clinical Research Services Rendered 50,243 Business sale consideration 87,000		- - 141,099 -
<u>Fellow subsidiary companies</u> <u>Jubilant Biosys Limited:</u> Expenses Reimbursed 5,027		4,883
<u>Jubilant Clinsys Inc.</u> Expenses Reimbursed 4,850 Expenses Recharged 11,944 Clinical Research Services Rendered 18,547 Services Received 1,051 <u>Jubilant Chemsys Limited</u> Expenses Reimbursed 1,514 Services Rendered		4,918 8,898 19,932 682 1,410 17

JUBILANT CLINSYS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Particulars	For the Year ended 31 March 2014	For the Year ended 31 March 2013
Vanthys Pharmaceutical Development Private Limited		
Services Provided	-	848
<u>Outstanding balances at year end:</u>		
Particulars	As at 31 March 2014	As at 31 March 2013
<u>Ultimate Holding Company</u>		
<u>Jubilant Life Sciences Limited</u>		
Inter corporate deposits given (ICD)		
Interest on Inter corporate deposits given(ICD)	45,000	60,000
Receivable from ICD	4,368	937
	49,368	75,036
<u>Fellow Subsidiary Companies</u>		
<u>Jubilant Biosys Limited</u>		
Trade Payable	707	-
<u>Jubilant Clinsys Inc.</u>		
Trade Receivable	72,045	34,673
<u>Jubilant Chemsys Limited</u>		
Trade Payable	736	118

Details of Remuneration to the key managerial personnel:-*

Particulars	For the year ended 31 March'2014	For the year ended 31 March'2013
Salary and other perquisites	2,649	2,618
House Rent Allowance	841	774
Contribution to Provident Fund	202	186
Performance Bonus	345	383
Total	4,037	3,961

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

31. Earning Per Share (EPS)

i.	Profit for Earnings Per share	For the year ended 31 March'2014	For the year ended 31 March 2013
	Profit for Basic and Diluted EPS of Rs 10 each	28,541	29,742

JUBILANT CLINSYS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

II.	Weighted average number of equity shares for Earnings Per Share computation	For the year ended 31 March 2014	For the year ended 31 March 2013
	a) For Basic EPS(Nos.)	1,999,766	1,999,766
	b) For Diluted EPS(Nos.)		
	No. of shares for Basic EPS(Nos.)	1,999,766	1,999,766
	Add: Convertible Preference Shares (Nos.)	27,050,000	27,050,000
	No. of share for Diluted EPS (Nos.)	29,049,766	29,049,766

III. Earnings Per Share (Face Value of Rs 10 each)

Sr.No	Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
a)	Basic Earnings per share (Rs.)	14	15
b)	Diluted Earnings per share (Rs.)	1	1

32. a) Expenditure in Foreign Currency (on accrual basis):

Rs. '000

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
License fees	2,173	2,235
Legal and professional fees	1,051	852
Meeting and conference expenses	177	389
Ethical review fees	75	15
Others	6	-

b) Value of Imports on CIF basis:

Rs. '000

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Capital goods	20,308	-
Machinery spares and others	1,078	5,614
Chemicals, reagents, glassware and other Consumables	1,171	2,475

JUBILANT CLINSYS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014****c) Earning in Foreign Currency-**

Rs '000

	For the year ended 31 March 2014	For the year ended 31 March 2013
Export of services	124,888	100,719
Reimbursement of expenses	11,944	8,899

33. Foreign currency exposure not hedged by derivative instrument:

Rs '000

Details	Currency	As at 31 March 2014			As at 31 March 2013		
		Amount in Foreign Currency	Exchange Rate	Equivalent INR	Amount in Foreign Currency	Exchange Rate	Equivalent INR
Amount receivable on account of sale of services.	USD GBP	2,152 -	59.91 -	128,926 -	773 6	54.29 82.25	41,966
Amount payable on account of purchase of services	USD	778	59.91	46,610	9	54.29	489

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

JUBILANT CLINSYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

36. Previous year figures were audited by another firm of Chartered Accountants.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration no: 101248W

For and on behalf of the Board of Directors of

Jubilant Clinsys Limited

Pravin Tulsyan

Partner

Membership Number: 108044

Paresh Gupta

Chief Financial Officer

Dr. Shirali Raina

Whole Time Director

Place: Noida

Date: 23 May 2014

Vaibhav Mrinal Kher

Company Secretary