

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of Jubilant Clinsys Limited**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

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

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

##### **Basis for Opinion**

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

##### **Material Uncertainty Related to Going Concern**

We draw attention to Note 2(a)(iii) of the financial statements, which explains that considering no business in hand of the Company, the management is in the process of evaluating new business opportunities hence a material uncertainty exists as to going concern of the Company which is dependent on the materialization of such plans. Our opinion is not modified in respect of this matter.

##### **Other Information**

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

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

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

### **Management's Responsibility for the Financial Statements**

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) The going concern matter described under the Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have adverse effect on the functioning of the Company.
  - f) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- 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 as at 31 March 2019 on its financial position in its financial statements – Refer note 21 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
3. With respect to the matter to be included in the Auditors' Report under section 197(16):

According to the information and explanation given to us, the Company has not paid any managerial remuneration during the current year and accordingly the requirements as stipulated by the provisions of Section 197(16) of the Act are not applicable to the Company.

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

Place: Noida  
Date: 15 May 2019

**Pravin Tulsyan**  
*Partner*  
Membership No.: 108044

**Annexure A referred to in our Independent Auditors' Report to the members of Jubilant Clinsys Limited on the Ind AS Financial Statements for the year ended 31 March 2019**

**We report that:**

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. 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, the company does not hold any inventories. Accordingly, paragraph 3(ii) of the order is not applicable.
- (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 explanation 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 from the public. Accordingly, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, are not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act for any activities performed by the Company. Accordingly, para 3(vi) of the Order is not applicable.
- (vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income Tax and cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Employees' State Insurance, Goods and Service Tax (GST), Value added Tax, Service Tax, Duty of Excise and Duty of Customs.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax and cess and other material statutory were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of dues	Amount involved (in Rs. thousands)	Amount deposited (in Rs. thousands)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	52,313	2,328	2008-2013	Commissioner, Noida
		56	-	2007-2010	Assistant Commissioner, Noida
Custom Act, 1962	Custom duty	458	17	2007-2015	Deputy Commissioner, New Delhi

- (viii) According to the information and explanation given to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) According to the information and explanations given to us, no term loan was taken by the Company and has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and 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. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by applicable accounting standards. Further, according to the information and explanations given to us and based on our examination of the records of the company, provisions of section 177 of the Act are not applicable to the Company.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

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*For B S R & Co. LLP*

*Chartered Accountants*

ICAI Firm Registration No: 101248W/W-100022

Place: Noida

Date: 15 May 2019

**Pravin Tulsyan**

*Partner*

Membership No. 108044

**Annexure B to the Independent Auditors' Report of even date on Financial Statements of Jubilant Clinsys Limited**

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

**Opinion**

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

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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



### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

*For B S R & Co. LLP*

*Chartered Accountants*

Firm registration No.: 101248W /W-100022

Place: Noida  
Date: 15 May 2019

**Pravin Tulsyan**

*Partner*

Membership No.: 108044



**Jubilant Clinsys Limited**  
**Balance Sheet as at 31 March 2019**

(₹ in thousands)			
	Notes	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,597	1,710
Intangible assets	4	-	105
<b>Financial assets</b>			
i. Loans	5(d)	6,749	6,729
ii. Other financial assets	5(e)	3,975	2,766
Income-tax assets (net)		1,006	768
<b>Total non-current assets</b>		<b>13,327</b>	<b>12,078</b>
<b>Current assets</b>			
<b>Financial assets</b>			
i. Trade receivables	5(a)	-	-
ii. Cash and cash equivalents	5(b)	11,093	1,723
iii. Other bank balances	5(c)	12,695	23,834
v. Other financial assets	5(e)	2,942	2,887
Other current assets	6	296	292
<b>Total current assets</b>		<b>27,026</b>	<b>28,736</b>
<b>Total assets</b>		<b>40,353</b>	<b>40,814</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7	19,998	19,998
Other equity	8	20,226	20,665
<b>Total Equity</b>		<b>40,224</b>	<b>40,663</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Trade payables - Outstanding dues of micro and small enterprises	9	-	-
ii. Trade payables - Outstanding dues of creditors other than micro and small enterprises	9	97	123
Other current liabilities	10	32	28
<b>Total current liabilities</b>		<b>129</b>	<b>151</b>
<b>Total liabilities</b>		<b>129</b>	<b>151</b>
<b>Total equity and liabilities</b>		<b>40,353</b>	<b>40,814</b>

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

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm registration 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

**Arun Kumar Sharma**

Director

DIN:06991435

Place : Noida

Date : 15 May 2019

**Sanjay Jain**

Chief Financial Officer

**Jubilant Clinsys Limited**  
**Statement of Profit and Loss for the year ended 31 March 2019**

		(₹ in thousands)	
	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Other income	11	2,312	9,661
<b>Total income</b>		<b>2,312</b>	<b>9,661</b>
<b>Expenses</b>			
Depreciation and amortisation expense	12	191	301
Other expenses	13	2,560	5,421
<b>Total expenses</b>		<b>2,751</b>	<b>5,722</b>
<b>(Loss)/Profit before tax</b>		<b>(439)</b>	<b>3,939</b>
Tax expense			
- Current tax	14	-	676
<b>Total tax expense</b>		<b>-</b>	<b>676</b>
<b>(Loss)/Profit for the year</b>		<b>(439)</b>	<b>3,263</b>
<b>Total comprehensive income for the year</b>		<b>(439)</b>	<b>3,263</b>
<b>Earnings per equity share of ₹ 10 each</b>	19		
Basic (₹)		(0.22)	1.63
Diluted (₹)		(0.22)	0.26

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

As per our report of even date attached

For **BSR & Co. LLP**  
Chartered Accountants  
ICAI Firm registration 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

**Arun Kumar Sharma**  
Director  
DIN:06991435

Place : Noida  
Date : 15 May 2019

**Sanjay Jain**  
Chief Financial Officer

**Jubilant Clinsys Limited**  
**Statement of Cash Flows for the year ended 31 March 2019**

	(₹ in thousands)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>A. Cash flow from operating activities</b>		
Net (loss)/profit before tax	(439)	3,939
Adjustments :		
Depreciation and amortisation expense	191	301
Loss on sale of property, plant and equipment	4	-
Interest income	(2,312)	(9,660)
<b>Operating cash flow before working capital changes</b>	<b>(2,556)</b>	<b>(5,420)</b>
Increase in other financial assets and loans **	(24)	(6)
Decrease in other current liabilities	(22)	(59)
<b>Cash used in operations</b>	<b>(2,602)</b>	<b>(5,485)</b>
Income tax paid (net of refund)	(238)	465
<b>Net cash used in operating activities</b>	<b>(2,840)</b>	<b>(5,020)</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipments	23	-
Movement in other bank balances*	11,139	(11,263)
Interest received	1,048	9,980
<b>Net cash generated from / (used in) investing activities</b>	<b>12,210</b>	<b>(1,283)</b>
<b>C. Cash flow arising from financing activities</b>		
Repayment of preference share capital	-	(270,500)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(270,500)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>9,370</b>	<b>(276,803)</b>
Add: cash and cash equivalents at the beginning of year	1,723	278,526
<b>Cash and cash equivalents at the end of the year (refer Note 5(b))</b>	<b>11,093</b>	<b>1,723</b>

\*Other bank balances ₹ 11,657 thousand (31 March 2018: ₹ 12,634 thousand has restricted use)

\*\*Other financials assets ₹ 2,766 (31 March 2018: ₹ 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 financial statements.

As per our report of even date attached

For **BSR & 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

**Arun Kumar Sharma**  
Director  
DIN:06991435

Place : Noida  
Date : 15 May 2019

**Sanjay Jain**  
Chief Financial Officer

**Jubilant Clinsys Limited**  
**Statement of changes in equity for the year ended 31 March 2019**

**A. Equity share capital**

	(₹ in thousands)
Balance as at 1 April 2017	19,998
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2018</b>	<b>19,998</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2019</b>	<b>19,998</b>

**B. Other Equity**

	Preference share capital	Reserves and Surplus	Total
		Capital reserve	Retained earnings
<b>Balance as at 1 April 2017</b>	<b>270,500</b>	<b>165</b>	<b>17,237</b>
Profit for the year	-	-	3,263
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>3,263</b>
Repayment of Preference Share Capital	(270,500)		(270,500)
<b>Balance as at 31 March 2018</b>	<b>-</b>	<b>165</b>	<b>20,500</b>
Profit for the year	-	-	(439)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(439)</b>
<b>Balance as at 31 March 2019</b>	<b>-</b>	<b>165</b>	<b>20,061</b>

Refer note 8 for nature and purpose of equity.

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

As per our report of even date attached

For **BSR & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number : 101248W/W-

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

**Pravin Tulsyan**  
Partner  
Membership No: 108044

**Benny Thomas**  
Director  
DIN: 07241561

**Arun Kumar Sharma**  
Director  
DIN:06991435

Place : Noida  
Date : 15 May 2019

**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**

The Company has adopted Ind AS 115 “Revenue from Contracts with Customers” effective from 1 April 2018. The Company applied Ind AS 115 using the cumulative effect method which is applied to contracts that were not completed as of 1 April 2018. Accordingly, the comparatives have not been retrospectively adjusted. The Company does not have any revenue during the year or pending order as at the year end, accordingly there is no impact on adoption of the standard on the financial statements.

The Company has adopted Appendix B, “Foreign currency transactions and advance consideration” to Ind AS 21, “the effects of changes in foreign exchange rates” effective from 1 April 2018 prospectively to all assets, expenses and income in the scope of the said Appendix. The adoption of the above Appendix does not have any impact on the financial position or performance of the Company.

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

**(a) Basis of preparation**

**(i) Statement of Compliance**

These Ind AS Financial Statements (“financial statements”) have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (“the Act”), the Companies (Indian Accounting Standards) (Amendment Rules), 2016 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 15 May 2019.

**(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 opportunities or evaluating other business opportunities. Based on business plans, 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.

Accordingly, the assets and liabilities are recorded on the basis that the Company will be able to use or realize its assets at least at the recorded amounts and discharge its liabilities in the usual course of business.

(iv) **Functional and presentation currency**

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

**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.

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.

(b) **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, if any.

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 comprise softwares purchased and are initially measured at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss, if any.

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 and amortization methods, estimated useful lives and residual value**

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

Category of assets	Management estimate of useful life	Useful life as per Schedule II
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.

**(c) 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.

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

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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.

**(d) 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.

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

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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.

**(e) 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.

**(f) 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.

**(g) 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.

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

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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.

**(h) 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.

**(i) 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

**(j) Measurement of fair values**

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

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.

**(k) 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(g)
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2(b)
- Fair value measurement – Note 2(j).
- Estimated impairment of financial assets and non-financial assets- Note 2 (c), 2(d)
- Lease- Note 2 (h)

**(l) Redemption of Preference Shares**

During the previous year ended 31<sup>st</sup> March, 2018, A scheme of reduction of share Capital of the Company had 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 was reduced to Rs. 19,997,660 divided into 1,999,766 equity shares of Rs 10 each from Rs. 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.

**(m) Recent accounting pronouncements**

**Applicable standards issued but not yet effective**

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

**Ind AS 116, Leases**

MCA vide its notification dated 30 March 2019, notified Ind AS 116 “Leases”. The standard is effective from 1 April 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17 “Leases” and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises present value of the lease payment (discounted

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

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using incremental borrowing rate or interest rate implicit in the lease) as right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments and lease rent expense will be replaced with the amortization of right-of-use-asset and interest accrued on lease liability. The standard also contains enhanced disclosure requirements for lessees and will have consequential impact on cash flows categories as well. The new standard substantially carries forward the lessor accounting requirements in Ind AS 17.

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

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

**Ind AS 19, Employee Benefits**

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

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement;
- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding asset ceiling.

The above amendments are effective from 1 April 2019. There is no impact of the standard on the financials statements of the company as the company does not have any employees.

**Appendix C, “Uncertainty over Income Tax Treatments”, to Ind AS 12, Income Taxes**

MCA vide its notification dated 30 March 2019, notified Appendix C, “Uncertainty over Income Tax Treatments”, to Ind AS 12, which clarifies how the recognition and measurement requirements of Ind AS 12 “Income taxes”, are applied where there is uncertainty over income tax treatments. This appendix explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the applicable tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under applicable tax law.

The appendix provides specific guidance in several areas where previously Ind AS 12 was silent. Appendix applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Appendix is effective from 1 April 2019. The Company is currently in the process of evaluating the impact of this change on its financial statements.

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

Note 3: Property, Plant and equipment

(₹ in thousands)

Description	Furniture and fixtures (1)	Research Equipments	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

(₹ in thousands)

Description	Furniture and fixtures (1)	Research Equipments	Office equipment	Total
Gross carrying amount as at 1 April 2018	2,094	21	2,540	4,655
Deletions			(94)	(94)
Gross carrying amount as at 31 March 2019	2,094	21	2,446	4,561
Accumulated depreciation as at 1 April 2018	1,455	17	1,473	2,945
Depreciation charges for the year	77	1	8	86
Deductions/Adjustments			(67)	(67)
Accumulated depreciation as at 31 March 2019	1,532	18	1,414	2,964
Net carrying amount as at 31 March 2019	562	3	1,032	1,597

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 2017	1,280	1,280
Gross carrying amount as at 31 March 18	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

(₹ in thousands)

Description	Software	Total
Gross carrying amount as at 1 April 2018	1,280	1,280
Gross carrying amount as at 31 March 2019	1,280	1,280
Accumulated amortisation as at 1 April 2018	1,175	1,175
Amortisation for the year	105	105
Accumulated amortisation as at 31 March 2019	1,280	1,280
Net carrying amount as at 31 March 2019	-	-



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

**Note 5(a): Trade receivables**

	(₹ in thousands)	
	As at	As at
	31 March 2019	31 March 2018
Unsecured and current		
Trade receivables considered good	-	-
Trade receivables - which have significant increases in credit risk	-	3,614
Less: Expected credit loss allowance	-	3,614
<b>Total receivables</b>	<b>-</b>	<b>-</b>

**Note 5(b): Cash and cash equivalents**

	(₹ in thousands)	
	As at	As at
	31 March 2019	31 March 2018
Balances with banks		
- on current accounts	1,093	1,723
- on deposits accounts with original maturity up to three months	10,000	-
<b>Total cash and cash equivalents</b>	<b>11,093</b>	<b>1,723</b>

**Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of Corporate Affairs**

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

**Note 5(c): Other bank balances**

	(₹ in thousands)	
	As at	As at
	31 March 2019	31 March 2018
Deposits accounts with maturity up to twelve months from the reporting date	12,695	23,834
<b>Total other bank balance</b>	<b>12,695</b>	<b>23,834</b>

₹ 11,657 thousand (31 March 2018: ₹ 12,634 thousand has restricted use)

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

**Note 5(d): Loans**

	(₹ in thousands)			
	As at		As at	
	31 March 2019		31 March 2018	
	Current	Non- current	Current	Non- current
Unsecured, considered good				
Security deposits	-	6,749	-	6,729
<b>Total loans</b>	<b>-</b>	<b>6,749</b>	<b>-</b>	<b>6,729</b>

**Note 5(e): Other financial assets**

	(₹ in thousands)			
	As at 31 March 2019		As at 31 March 2018	
	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	2,924	1,209	2,869	-
Others	18	-	18	-
<b>Total other financial assets</b>	<b>2,942</b>	<b>3,975</b>	<b>2,887</b>	<b>2,766</b>

₹ 2,766 thousand (31 March 2018: ₹ 2,766 thousand) has restricted use.

**Note 6: Other current assets**

	(₹ in thousands)	
	As at	As at
	31 March 2019	31 March 2018
Balance with government authorities	292	292
Prepaid expenses	4	-
<b>Total other current assets</b>	<b>296</b>	<b>292</b>

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

**Note 7: Share capital**

	(₹ in thousands)	
	As at 31 March 2019	As at 31 March 2018
<b>Authorised</b>		
2,000,000 (31 Mar 2018: 2,000,000 ) equity shares of Rs. 10 each	20,000	20,000
28,500,000 (31 Mar 2018: 28,500,000 ) preference shares of Rs. 10 each	285,000	285,000

**Issued, subscribed and fully paid up**

1,999,766 (31 Mar 2018: 1,999,766) equity shares of Rs. 10 each	19,998	19,998
	<u>19,998</u>	<u>19,998</u>

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

	As at 31 March 2019	As at 31 March 2018
<b>Equity shares of Rs. 10 each</b>		
As at the commencement and end of the year	1,999,766	1,999,766
At the end of the year	<u>1,999,766</u>	<u>1,999,766</u>
<b>Preference Shares of Rs 10 each</b>		
<b>6% Optionally convertible non- cumulative redeemable preference shares</b>		
At the commencement	-	20,850,000
Repayment during the year	-	20,850,000
At the end of the year	<u>-</u>	<u>-</u>
<b>8% Optionally convertible non- cumulative redeemable preference shares</b>		
At the commencement and at the end of the year	-	6,200,000
Repayment during the year	-	6,200,000
At the end of the year	<u>-</u>	<u>-</u>

**b) Rights, obligations and preferences attached to the equity shares**

i) 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.

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

c) 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 21)

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

	As at 31 March 2019		As at 31 March 2018	
	No of shares	% holding	No of shares	% holding
<b>Equity shares of Rs. 10 each paid up held by:</b>				
<b>Jubilant Chemsys Limited, the holding company w.e.f. 8th September'2017</b>	1,999,766	99.99%	1,999,766	99.99%
(including 6 shares held by Jubilant Chemsys Limited jointly with 6 different individuals)				

**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.

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

**Note 9: Trade payables**

	(₹ in thousands)	
	As at	As at
	31 March 2019	31 March 2018
<b>Current</b>		
i. Trade payables - Outstanding dues of micro and small enterprises	-	-
i. Trade payables - Outstanding dues of creditors other than micro and small enterprises		
	97	123
<b>Total trade payables</b>	<b>97</b>	<b>123</b>

**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 2019. 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	As at
	31 March 2019	31 March 2018
Statutory dues payables	32	28
<b>Total other current liabilities</b>	<b>32</b>	<b>28</b>

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

**Note 11: Other income**

	(₹ in thousands)	
	For the year ended	For the year ended
Particulars	31 March 2019	31 March 2018
Interest Income	2,312	9,660
Other non-operating Income	-	1
<b>Total other income</b>	<b>2,312</b>	<b>9,661</b>

**Note 12: Depreciation and amortisation expense**

	(₹ in thousands)	
	For the year ended	For the year ended
Particulars	31 March 2019	31 March 2018
Depreciation of property, plant and equipment	86	197
Amortisation of intangible assets	105	104
<b>Total depreciation and amortisation expense</b>	<b>191</b>	<b>301</b>

**Note 13: Other expenses**

	(₹ in thousands)	
	For the year ended	For the year ended
Particulars	31 March 2019	31 March 2018
Rental charges	2,159	2,064
Rates and taxes	41	327
Insurance	5	7
Payments to auditors (refer note 13(a) below)	106	120
Legal and professional fees	185	2,826
Bank charges	60	55
Loss on Sale of property, plant and equipment	4	-
Miscellaneous expenses	-	22
<b>Total other expenses</b>	<b>2,560</b>	<b>5,421</b>

**Note 13(a): Details of payments to auditors**

	(₹ in thousands)	
	For the year ended	For the year ended
Particulars	31 March 2019	31 March 2018
<b>Payment to auditors (excluding GST and including out of pocket expenses)</b>		
As auditor:		
Audit fee	90	120
	<b>90</b>	<b>120</b>

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

**Note 14: Income tax**

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

**Statement of profit and loss:**

*Profit or loss section*

	<b>(₹ in thousands)</b>	
	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Current income tax:</b>		
Current income tax charge	-	118
Adjustments in respect of current income tax of previous year	-	558
<b>Income tax expense reported in the statement of profit or loss</b>	<b>-</b>	<b>676</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:

	<b>(₹ in thousand)</b>	
	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31 March 2019</b>	<b>31 March 2018</b>
Accounting profit/(loss) before tax	(439)	3,939
At India's statutory income tax rate of 26% (31 March 2018: 25.75%)	(114)	1,014
- Effect of unrecognized deferred tax	114	(1,035)
- MAT credit entitlement not recognised	-	55
-Effect of prior year reassessments	-	558
-Effect of Permanent differences	-	84
<b>Income tax expense reported in the statement of profit and loss</b>	<b>-</b>	<b>676</b>

	<b>(₹ in thousand)</b>	
	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Deferred tax on account of:</b>		
Property, plant and equipment	691	798
Losses carried forward	222	-
Deferred tax asset, net	913	798
Less:- Deferred tax asset (net) not recognized in absence of reasonable certainty of realization	913	798
<b>Deferred tax asset, net</b>	<b>-</b>	<b>-</b>

**Note 15: Fair value measurements**

(₹ in Thousands)					
	Notes	Carrying Value as at		Fair Value as at	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Financial assets</b>					
<b><u>Amortised Cost</u></b>					
Loans	(b)	6,749	6,729	6,749	6,729
Cash and cash equivalents	(a)	11,093	1,723	11,093	1,723
Other bank balances	(a)	12,695	23,834	12,695	23,834
Other financial assets	(a),(b)	6,917	5,653	6,917	5,653
<b>Total financial asset</b>		<b>37,454</b>	<b>37,939</b>	<b>37,454</b>	<b>37,939</b>
<b>Financial Liabilities</b>					
<b><u>Amortised Cost</u></b>					
Trade payables		97	97	123	123
<b>Total financial liabilities</b>		<b>97</b>	<b>97</b>	<b>123</b>	<b>123</b>

**Note:**

- 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.
- Fair value of non-current financial assets has not been disclosed as there is no significant difference between carrying value and fair value.
- There are no transfer between level 1, level 2 and level 3 during the year ended 31 March 2019 and 31 March 2018.

**Note 16: 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 31 March'2019.

*Expected credit loss for trade receivables:*

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

	(₹ in thousands)	
	31 March 2019	31 March 2018
Balance at the beginning of the year	-	3,614
Less: Utilized during the year	-	3,614
Add: Provision during the year (net of reversal)	-	-
Balance at the end of the year	-	-

*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 2019	Contractual cash flows			
	Carrying amount	Total	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Trade payables	97	97	97	-

(₹ in thousands)

31 March 2018	Contractual cash flows			
	Carrying amount	Total	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>				
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 17: 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 2019 (31 March 2018: Nil).

### Note 18: 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 7 September 2017

Jubilant Chemsys Limited w.e.f 8 September 2017.

(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 2019	For the year ended 31 March 2018
<b><u>Ultimate Holding Company</u></b> <b><u>Jubilant Life Sciences Limited</u></b>		
Repayment of Preference Share Capital	-	2,70,500
Loan repaid	-	-
<b><u>Fellow subsidiary</u></b> <b><u>Jubilant Biosys Limited:</u></b>		
Expenses reimbursed	207	525

**Note 19: Earnings per share (EPS)**

(₹ in thousands)		
I. Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit for basic and diluted EPS of Rs 10 each	(439)	3,263

II. Weighted average number of equity shares for earnings per share computation	For the year ended 31 March 2019	For the year ended 31 March 2018
a) Shares for basic EPS (Nos.)	1,999,766	1,999,766
b) <u>Share for diluted EPS (Nos.)</u>		
For basic EPS (Nos.)	1,999,766	1,999,766
Add: Optionally Convertible preference shares (Nos.)	-	<u>10,745,890</u>
Shares for diluted EPS (Nos.)	1,999,766	<u>12,745,656</u>

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

S. No	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a)	Basic earnings per share (Rs.)	(0.22)	1.63
b)	Diluted earnings per share (Rs.)	(0.22)	0.26

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

**Note 20: Segment Reporting**

The Company does not have any revenue for the year ended 31 March 2019 accordingly, the disclosure requirements of Ind AS 108 in this regard are not applicable.

**Note 21: 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 (31 March 2018: ₹2,651 thousand) for import of various scientific equipment.

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

	(₹ in thousands)	
	As at 31 March 2019	As at 31 March 2018
Service Tax	52,369	55,671
Customs	458	458

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

**Note 22: Leases**

The Company's significant operating lease arrangements are in respect of premises. The leasing arrangement, which is cancellable, expires on 1 September 2023 and is renewable by in terms of existing agreement. The aggregate lease rentals payable are charged as expenses and the total amount for the year is ₹2,159 thousand (31 March 2018: ₹ 2,064 thousand).

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

As per our report of even date attached.

For **BSR & Co. LLP**  
Chartered Accountants  
ICAI Firm registration 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

**Arun Kumar Sharma**  
Director  
DIN:06991435

Place : Noida  
Date : 15 May 2019

**Sanjay Jain**  
Chief Financial Officer

