

**Jubilant Innovation Limited**

**Statutory Audit for the year ended**

**31 March 2015**

# B S R & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B  
DLF Cyber City, Phase - II  
Gurgaon - 122 002, India

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## Independent Auditor's Report

To the Members of **Jubilant Innovation India Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of **Jubilant Innovation India Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

### Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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 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 2015, and its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) 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 does not have any pending litigations which would impact its financial position;



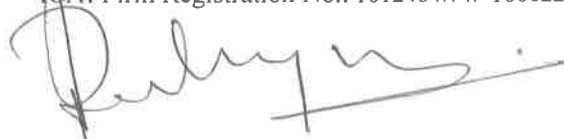
**B S R & Co. LLP**

- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred, to the Investor Education and protection fund

*For B S R & Co. LLP*

*Chartered Accountants*

ICAI Firm Registration No.: 101248W/W-100022



**Pravin Tulsyan**

*Partner*

Membership No.: 108044

Place: Noida

Date: 30 April 2015

**Annexure to the Auditor's report**

(Referred to in our report of even date)

1. The Company does not have any fixed assets. Accordingly, paragraph 3(i) (a) and (b) of the Order are not applicable.
2. The Company does not have inventories. Accordingly, paragraph 3(ii) (a) to (c) of the Order are not applicable.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) (a) and (b) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are no activities of purchase of inventories and sale of goods and services during the period. There was no purchase of fixed assets during the period. Accordingly, the provisions of clause 4 of the Order are not applicable.
5. The Company has not accepted any deposits from the public during the year.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the products manufactured/services rendered by the Company.
7. (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 other material statutory dues have 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, Sales-tax, Wealth tax, Service tax, Duty of Customs, Duty of Excise, Value added tax and Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no disputed dues of Income tax which have not been deposited with the appropriate authorities.

(c) As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund.

8. The Company does not have any accumulated losses at the end of the financial year. However, it has incurred cash losses in the financial year and in the immediately preceding financial year.
9. The Company did not have any outstanding dues to any financial institution, bank or debentureholders during the year.



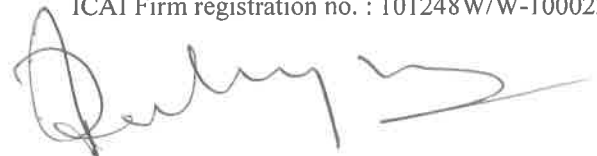
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10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
11. The Company did not have any term loans outstanding during the year.
12. According to the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm registration no. : 101248W/W-100022



**Pravin Tulsyan**

*Partner*

Membership no.: 108044

Place: Noida  
Date: 30 April 2015

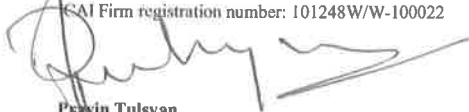
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**Jubilant Innovation India Limited**  
**Balance Sheet as at 31 March 2015**

	Note	As at 31 March 2015 INR'000	As at 31 March 2014 INR'000
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	500	500
Reserves and surplus	3	3,105	3,208
		<b>3,605</b>	<b>3,708</b>
<b>Current liabilities</b>			
Trade payables	4	57	64
Other current liabilities	5	7	8
		64	72
		<b>3,669</b>	<b>3,780</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	6	3,289	3,400
Short-term loans and advances	7	380	380
		<b>3,669</b>	<b>3,780</b>
<b>Significant accounting policies</b>	1A		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached

For **BSR & Co. LLP**  
Chartered Accountants  
CAI Firm registration number: 101248W/W-100022



**Parvin Tulsyan**  
Partner  
Membership no. 108044  
Place : Noida  
Date: 30 April 2015

For and on behalf of Board of Directors of  
**Jubilant Innovation India Limited**



**R. Sankarajah**  
Director



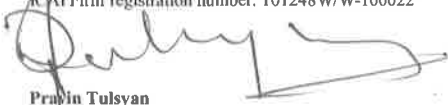
**Amit Arora**  
Director

**Jubilant Innovation India Limited**  
**Statement of Profit and Loss for the year ended 31 March 2015**

	Note	For the year ended	For the year ended
		31 March 2015	31 March 2014
		INR'000	INR'000
<b>Revenue</b>		-	-
<b>Expenses</b>			
Other expenses	8	103	97
<b>Loss before tax</b>		<b>(103)</b>	<b>(97)</b>
Tax expenses:			
- Tax paid for earlier years		-	8
<b>Loss for the year</b>		<b>(103)</b>	<b>(105)</b>
Basic and Diluted loss per share of Rs. 10 each (in rupees)	13	(2.06)	(2.10)
<b>Significant accounting policies</b>	1A		
The notes referred to above 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



**Pravin Tulsyan**  
Partner  
Membership no. 108044  
Place : Noida  
Date: 30 April 2015

For and on behalf of Board of Directors of  
**Jubilant Innovation India Limited**



**R. Sankaraiah**      **Amit Arora**  
Director                      Director



**Jubilant Innovation India Limited**  
**Cash flow statement for the year ended 31 March 2015**

	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>
	<b>(INR' 000)</b>	<b>(INR' 000)</b>
<b>Cash flow used in/arising from operating activities :</b>		
Net loss before tax	(103)	(97)
<b>Adjustments for working capital changes;</b>		
Decrease in trade and other payables	(8)	(11)
<b>Net cash used in operations</b>	<b>(111)</b>	<b>(108)</b>
Direct taxes paid (net of refunds)	-	(8)
<b>Net cash used in operating activities</b>	<b>(111)</b>	<b>(116)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(111)</b>	<b>(116)</b>
Add: cash and cash equivalents at the beginning of year	3,400	3,516
<b>Cash and cash equivalents at the close of the year (refer note 6)</b>	<b>3,289</b>	<b>3,400</b>
Note: 1) Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 (AS-3)-" Cash Flow Statements".		

As per our report of even date attached.

**For B S R & Co. LLP**  
Chartered Accountants

ICAI Firm registration number: 101248W/W-100022



**Pravin Tulsyan**  
Partner  
Membership no. 108044  
Place : Noida  
Date: 30 April 2015

For and on behalf of Board of Directors of  
**Jubilant Innovation India Limited**



**R. Sankarajah**  
Director



**Amit Arora**  
Director

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**Jubilant Innovation India Limited**  
**Notes to the financial statements for the year ended 31 March 2015**

**1. Corporate Information**

Jubilant Innovation India Limited (the Company) is domiciled in India. The Company is a 100% subsidiary of Jubilant Innovation BVI Limited. The primary activity of the Company is to make sale of scientific and technical consultancy.

**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 Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the other relevant provisions of the Companies Act, 2013 (including provisions of the Companies Act, 1956 which continue to remain in force, to the extent applicable), pronouncements of the Institute of Chartered Accountants of India, to the extent applicable. The financial statements are presented as per Schedule III to the Companies Act, 2013 and in Indian rupees rounded off to the nearest thousand.

**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. 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–non-current classification**

All assets and liabilities are classified into current or non-current as per the Company's normal operating cycle and other criteria in accordance with schedule III to the Companies Act, 2013 set out below:

*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.

**Jubilant Innovation India Limited**  
**Notes to the financial statements for the year ended 31 March 2015**

*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 – noncurrent classification of assets and liabilities.

**D. Income taxes**

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.

**E. 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.

**Jubilant Innovation India Limited**

**Notes to the financial statements for the year ended 31 March 2015**

**F. 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.

**Jubilant Innovation India Limited**

**Notes to the financial statements for the year ended 31 March 2015**

	As at 31 March 2015	As at 31 March 2014
	INR'000	INR'000
<b>2 Share capital</b>		
<b>Authorized</b>		
1,000,000 Equity shares of Rs. 10 each (Previous year 1,000,000 equity shares of Rs. 10 each)	10,000	10,000
	<b>10,000</b>	<b>10,000</b>
<b>Issued and Subscribed</b>		
50,000 Equity shares of Rs. 10 each (Previous year 50,000 equity shares Rs. 10 each)	500	500
	<b>500</b>	<b>500</b>
<b>Paid up</b>		
50,000 Equity shares of Rs. 10 each (Previous Year 50,000 equity shares Rs. 10 each)	500	500
	500	500
	<b>500</b>	<b>500</b>

**Rights preferences and obligations attached to the class of 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) Particulars of shareholders holding more than 5% shares of a class of share:

Name of the shareholder	No of shares	% held as at 31 March 2015	No of shares	% held as at 31 March 2014
Jubilant Innovation BVI Limited - the holding company (including 7 shares held by Jubilant Innovation BVI Limited jointly with 7 different individuals)	50,000	100%	50,000	100%

2.4) The reconciliation of the number of shares outstanding:

Particulars	As at 31 March 2015		As at 31 March 2014	
	No of shares	INR	No of shares	INR
At the commencement and end of the year	50,000	500,000	50,000	500,000
<b>At the end of the year</b>	<b>50,000</b>	<b>500,000</b>	<b>50,000</b>	<b>500,000</b>

2.5) The details of shares held by holding Company:

Particulars	As at 31 March 2015	As at 31 March 2014
	Number of shares	Number of shares
Jubilant Innovation BVI Limited - The holding company	50,000	50,000

**Jublant Innovation India Limited**

Notes to the financial statements for the year ended 31 March 2015

	As at 31 March 2015	As at 31 March 2014
	INR'000	INR'000
<b>3 Reserve and surplus</b>		
Surplus as per statement of profit and loss		
At the commencement of year	3,208	3,313
Add: Loss for the year	(103)	(105)
<b>Total reserve and surplus</b>	<b>3,105</b>	<b>3,208</b>
<b>4 Trade payable</b>		
Trade payables -others*	57	64
* No amount is payable to micro, small and medium enterprises (refer note 12)		
	<b>57</b>	<b>64</b>
<b>5 Other current liabilities</b>		
TDS payable	-	6
Other payables	7	2
	<b>7</b>	<b>8</b>
<b>6 Cash and bank balances</b>		
Cash and cash equivalents		
Balances with banks:		
- Current accounts	3,289	3,400
	<b>3,289</b>	<b>3,400</b>
<b>7 Short term loans and advances</b>		
- Service tax refundable	380	380
	<b>380</b>	<b>380</b>

**Jubilant Innovation India Limited**

Notes to the financial statements for the year ended 31 March 2015

	For the year ended 31 March 2015	For the year ended 31 March 2014
	INR'000	INR'000
<b>8 Other expenses</b>		
Rates and taxes	10	-
Auditors remuneration - As statutory auditors	50	56
- Others*	-	41
*(Represents payment made to erstwhile auditors)		
Legal, professional and consultancy charges	43	-
	<b>103</b>	<b>97</b>

**Jubilant Innovation India Limited**  
**Notes to the financial statements for the year ended 31 March 2015**

**9. Related Party Disclosures**

**a) Related Parties**

Following is the list of related parties:

**Ultimate Holding Company**

Jubilant Life Sciences Limited, India

**Intermediate Holding Company**

Jubilant Pharma Limited, Singapore (formerly Jubilant Pharma Pte Limited, Singapore)

**Holding Company**

Jubilant Innovation BVI Limited

**Fellow Subsidiary Company**

Jubilant Biosys Limited

**b) Transactions with related parties during the year:**

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

**Jubilant Biosys Limited**

Particulars	(INR' 000)	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Expenses incurred	-	8

**10. Segment Reporting**

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 in the business of sale of scientific and technical consultancy. During the year ended 31 March 2015, the Company has not entered into any commercial operation therefore the disclosure requirements of the said AS-17 in this regard are not applicable.

**11. 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 2015 and 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.



**Jubilant Innovation India Limited**  
**Notes to the financial statements for the year ended 31 March 2015**

12. Deferred tax assets are attributable to the following item:

	(INR'000)	
	As at 31 March 2015	As at 31 March 2014
<b>Deferred Tax Assets on account of :</b>		
Accumulated losses as per tax laws	62	33
<b>Total (A)</b>	<b>62</b>	<b>33</b>
<b>Deferred Tax Liabilities</b>	-	-
Less: Deferred tax asset (net) not recognized in absence of virtual certainty of realization	<b>62</b>	<b>33</b>
<b>Deferred Tax Asset - (Net)</b>	-	-

\* Not recognized as there is no virtual certainty of taxable profits in future.

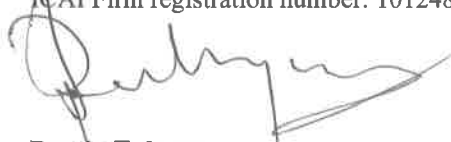
13. Loss per Share

	(INR'000)	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Loss as per statement of profit and loss	(103)	(105)
No. of Equity Shares (in '000) (basic and diluted)	50	50
Basic and diluted loss per share	(2.06)	(2.10)

14. Previous year's figures have been regrouped/ rearranged/ reclassified wherever found necessary to confirm to current year's presentations.

As per our report of even date attached

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



**Pravin Tulsyan**  
 Partner  
 Membership No. 108044

For and on behalf of the board of directors of  
**Jubilant Innovations India Limited**



**R Sankaraiah**  
 Director



**Amit Arora**  
 Director

Place: Noida  
 Date: 30 April 2015