

**Jubilant First Trust Healthcare Limited**

Financial Statements

For the year ended March 31, 2016

# B S R & Co. LLP

Chartered Accountants

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

Telephone: + 91 124 2549 191  
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## Independent Auditor's Report

To the Members of **Jubilant First Trust Healthcare Limited**

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of Jubilant First Trust Healthcare Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### 2. 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.

### 3. 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 specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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. 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.

#### **4. 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 2016, and its profit and its cash flows for the year ended on that date.

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

- (i) 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 I" a statement of the matters specified in paragraphs 3 and 4 of the Order.
- (ii) 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 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position;
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

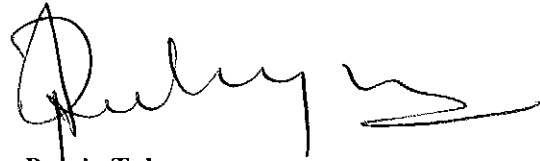
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- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

*For B S R & Co. LLP*

*Chartered Accountants*

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



**Pravin Tulsyan**

*Partner*

Membership No: 108044

Place: Noida

Date: 23 MAY 2016

**Annexure I referred to in paragraph 5 (i) of the Independent Auditor's Report to the Members of Jubilant First Trust Healthcare Limited on the financial statements for the year ended 31 March 2016**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company. As explained to us, the Company had purchased a freehold land admeasuring 5.2473 acres in Kharagpur, District Paschim Medinipur, West Bengal in the financial year 2007-08. The Gross Block and the Net Block of the freehold land is Rs. 20,038 thousand as at 31 March 2016. The Sellers had mortgaged the land to a public sector bank and the fact was not disclosed to the Company. The public sector bank issued a notice for auction of the said land. The Company filed a suit before the Civil Judge, Medinipur for declaring it as the owner of the said land and for staying dispossession of the Company. The court stayed the auction and while the stay is continuing, the Company had also filed a criminal complaint against the Sellers and the matter is fixed for the next hearing on 22 September 2016 in the court of VI Judicial Magistrate Alipore Judges Court, Kolkata.
- (ii) The Company does not have inventories. Accordingly, paragraph 3(ii) of the order is not applicable.
- (iii) In our opinion and 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 Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the order is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of records, the Company has not made any investments or provided any guarantees or security to the parties covered under Section 185 and Section 186 of the Act. Further, the Company has complied with the provisions of Section 186 of the Act in respect of loans given to the parties covered under Section 186.
- (v) The Company has not accepted any deposits from the public.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the products manufactured/ services rendered by the company. Accordingly, paragraph 3(vi) of the order are 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 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, sales 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 2016 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 which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, there were no outstanding dues to a financial institution, bank, government or debenture holders during the year.
- (ix) As informed to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The Company did not have any term loans outstanding during the year. 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 and no fraud on the Company by its officers or employees has been noticed or reported during the course of our audit for the year.
- (xi) According to the information and explanations given to us, the Company has not paid any managerial remuneration during the year and therefore the requirements as stipulated by the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) Based on our examination of the books of account and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 188 of the Act where applicable and the details of such related party transactions have been disclosed in the Financial Statements, as required by Accounting Standard 18, Related Party Disclosure, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. As informed to us, requirements as stipulated by the provisions of section 177 of the Act are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



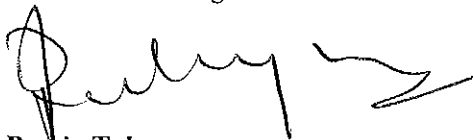
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- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of paragraph 3(xvi) of the Order is not applicable.

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

*Chartered Accountants*

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



**Pravin Tulsyan**

*Partner*

Membership No.: 108044

Place: Noida

Date: 23 MAY 2016

**Annexure II referred to in paragraph 5 (ii)(f) of the Independent Auditor's Report to the Members of Jubilant First Trust Healthcare Limited being report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Jubilant First Trust Healthcare Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.





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

A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

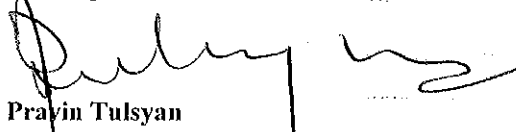
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

*For B S R & Co. LLP*

*Chartered Accountants*

Firm registration no.: 101248W/W-100022



**Pravin Tulsyan**

*Partner*

Membership No.: 108044

Place: Noida

Date: 23 MAY 2016

**Jubilant First Trust Healthcare Limited**  
**Balance Sheet as at 31 March 2016**

(Rs. '000)

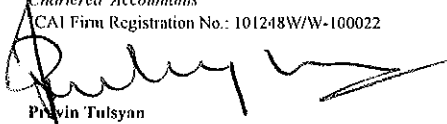
|  | Note | As at 31 March 2016 | As at 31 March 2015 |
|--|------|---------------------|---------------------|
| <b>EQUITY AND LIABILITIES</b>  |      |                     |                     |
| <b>Shareholder's funds</b>   |      |                     |                     |
| Share capital  | 2    | 20,500              | 156,132             |
| Reserves and surplus   | 3    | 46,622              | 581,899             |
|  |      | <b>67,122</b>       | <b>738,031</b>      |
| <b>Current liabilities</b>   |      |                     |                     |
| Trade payables   | 4    | -                   | -                   |
| Total outstanding dues of micro enterprises and small enterprises                      |      | -                   | -                   |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |      | 5,652               | 953                 |
| Other current liabilities  | 5    | 15                  | 282                 |
| Short-term provisions  | 6    | 291                 | 3,138               |
|  |      | <b>5,958</b>        | <b>4,373</b>        |
|  |      | <b>73,080</b>       | <b>742,404</b>      |
| <b>ASSETS</b>  |      |                     |                     |
| <b>Non-current assets</b>  |      |                     |                     |
| <b>Fixed assets</b>  |      |                     |                     |
| Tangible fixed assets  | 7    | 36,547              | 36,547              |
| Capital work-in-progress   | 7    | 833                 | 833                 |
| Long-term loans and advances   | 8    | 33,458              | 675,041             |
| Other non-current assets   | 9    | 250                 | 250                 |
|  |      | <b>71,088</b>       | <b>712,671</b>      |
| <b>Current assets</b>  |      |                     |                     |
| Cash and bank balances   | 10   | 1,302               | 349                 |
| Short-term loans and advances  | 11   | 688                 | 29,382              |
| Other current assets   | 12   | 2                   | 2                   |
|  |      | <b>1,992</b>        | <b>29,733</b>       |
|  |      | <b>73,080</b>       | <b>742,404</b>      |

Significant accounting policies  
Notes to the financial statements  
The notes referred to above form an integral part of financial statements

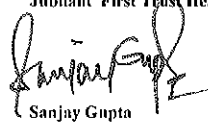

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1-25

As per our report of even date attached

For BSR & Co. LLP  
Chartered Accountants  
CAI Firm Registration No.: 101248W/W-100022

  
Pravin Tulsyan  
Partner  
Membership No.: 108044  
Place: Noida  
Date: 23 May 2016

For and on behalf of the Board of Directors of  
Jubilant First Trust Healthcare Limited

   
Sanjay Gupta  
Director  
DIN:00095510  
Anshu Bhatia  
Director  
DIN:02840983

**Jubilant First Trust Healthcare Limited**

**Statement of Profit and Loss for the year ended 31 March 2016**

(Rs. '000)

|                                   | Note | For the year ended<br>31 March 2016 | For the year ended<br>31 March 2015 |
|-----------------------------------|------|-------------------------------------|-------------------------------------|
| <b>REVENUE</b>                    |      |                                     |                                     |
| Other income                      | 13   | 30,922                              | 70,920                              |
| <b>Total revenue</b>              |      | <b>30,922</b>                       | <b>70,920</b>                       |
| <b>EXPENSES</b>                   |      |                                     |                                     |
| Finance costs                     | 14   | 243                                 | 2,203                               |
| Other expenses                    | 15   | 8,798                               | 2,899                               |
| <b>Total expenses</b>             |      | <b>9,041</b>                        | <b>5,102</b>                        |
| <b>Profit before tax</b>          |      | <b>21,881</b>                       | <b>65,818</b>                       |
| Tax expenses:                     |      |                                     |                                     |
| - current tax                     |      | 8,880                               | 20,839                              |
| - in respect of earlier year      |      | -                                   | 2,926                               |
| - MAT credit utilised             |      | -                                   | 602                                 |
| - MAT adjustment of previous year |      | -                                   | (11,024)                            |
| <b>Total tax expense</b>          |      | <b>8,880</b>                        | <b>13,343</b>                       |
| <b>Profit for the year</b>        |      | <b>13,001</b>                       | <b>52,475</b>                       |

Basic/diluted earnings per share of Rs. 10 each (In Rupees)

22

1.66

3.36

Significant accounting policies

1A

Notes to the financial statements

1-25

The notes referred to above form an integral part of financial statements

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

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

Pravin Tulsyan

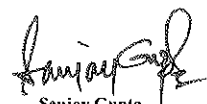
Partner

Membership No.: 108044

Place: Noida

Date: 23 May 2016

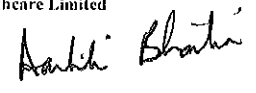
For and on behalf of the Board of Directors of  
Jubilant First Trust Healthcare Limited



Sanjay Gupta

Director

DIN:00095510



Aashti Bhartia

Director

DIN:02840983

**Jubilant First Trust Healthcare Limited**  
**Cash Flow Statement for the year ended 31 March 2016**

(Rs. '000)

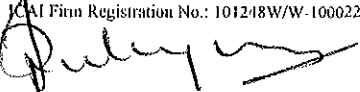
|   | For the year ended<br>31 March 2016 | For the year ended<br>31 March 2015 |
|---|-------------------------------------|-------------------------------------|
| <b>A. Cash flow arising from operating activities :</b>                 |                                     |                                     |
| Net profit before tax   | 21,881                              | 65,818                              |
| Adjustments for:  |                                     |                                     |
| Finance costs   | 243                                 | 2,203                               |
| Interest income   | (30,724)                            | (64,227)                            |
|   | (30,481)                            | (62,024)                            |
| Operating profit before working capital changes                         | (8,600)                             | 3,794                               |
| Decrease in trade and other receivables                                 | 231                                 | 10,173                              |
| Increase/ (decrease) in current liabilities and provisions              | 3,596                               | (2,937)                             |
| <b>Cash generated from operations</b>                                   | <b>(4,773)</b>                      | <b>11,030</b>                       |
| Direct taxes paid   | (13,528)                            | (58,507)                            |
| <b>Net cash used in operating activities</b>                            | <b>(18,301)</b>                     | <b>(47,477)</b>                     |
| <b>B. Cash flow arising from investing activities :</b>                 |                                     |                                     |
| Purchase of fixed assets/ capital advances                              | (49)                                | -                                   |
| Loan to holding company Jubilant Life Sciences Limited                  | 643,803                             | (12,974)                            |
| Interest received   | 59,187                              | 66,656                              |
| <b>Net cash generated from investing activities</b>                     | <b>702,941</b>                      | <b>53,682</b>                       |
| <b>C. Cash flow arising from financing activities :</b>                 |                                     |                                     |
| Reduction in share capital (including share premium) (refer note 24)    | (676,124)                           | -                                   |
| Repayment of long term and short term borrowings                        | -                                   | (4,062)                             |
| Dividend distribution tax paid  | (7,558)                             | -                                   |
| Finance costs paid  | (5)                                 | (2,203)                             |
| <b>Net cash used in financing activities</b>                            | <b>(683,687)</b>                    | <b>(6,265)</b>                      |
| <b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>    | <b>953</b>                          | <b>(60)</b>                         |
| Add: cash and cash equivalents at the beginning of year                 | 349                                 | 409                                 |
| <b>Cash and cash equivalents at the end of the year (refer note 10)</b> | <b>1,302</b>                        | <b>349</b>                          |

Note:

Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements".

As per our report of even date attached

For BSR & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.: 101248W/W-100022

  
Pravin Tulsyan  
Partner  
Membership No. 108044  
Place: Noida  
Date: 23 May 2016

For and on behalf of the Board of Directors of  
Jubilant First Trust Healthcare Limited

   
Sanjay Gupta      Anshu Bhartia  
Director              Director  
DIN:00095510      DIN:02840983

**Jubilant First Trust Healthcare Limited**  
**Notes to the financial statements for the year ended 31 March 2016**

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**1. Corporate information**

Jubilant First Trust Healthcare Limited (the Company) is a public limited Company domiciled in India and is incorporated under the provisions of Companies Act, 1956. It is the subsidiary of Jubilant Life Sciences Limited (the ultimate holding company). The Company's main operation is to provide healthcare services in a cost-effective and quality- focused environment.

**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, 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.

As further explained in note 16, pursuant to the Scheme of amalgamation, compromise and arrangements (the Scheme), approved by the Honorable High Court of Allahabad vide their order dated 17 August 2015, First Trust Medicare Private Limited ('FTMPL') is amalgamated with the Company. The Scheme became effective on 04 September 2015, on filing of the certified true copy of the said Order with the Registrar of Companies, New Delhi. As per the provisions of the Scheme, all the assets and liabilities of FTMPL were transferred to and vested in the Company with effect from the appointed date, i.e. 1 April 2014, effect of the same has been considered in the financial statements. The shareholders of FTMPL will get 6.5 fully paid equity shares of the Company against each fully paid up equity share of FTMPL. The date of the Order is subsequent to the adoption of the financial statements of FTMPL and the Company for the year ended 31 March 2015 by respective shareholders in their Annual General Meeting (AGM).

**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 and 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:



**Jubilant First Trust Healthcare Limited**  
**Notes to the financial statements for the year ended 31 March 2016**

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

Current assets include the current portion of non-current financial assets.  
All other assets are classified as non-current.

*Liabilities*

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

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

Current liabilities include current portion of non-current financial liabilities.  
All other liabilities are classified as non-current.

*Operating cycle*

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

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

**D. Tangible and intangible fixed assets**

*Tangible fixed assets*

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

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

*Intangible fixed assets*

*Acquired intangible assets*

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

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

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



**Jubilant First Trust Healthcare Limited**  
**Notes to the financial statements for the year ended 31 March 2016**

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**E. Depreciation and amortization:**

Depreciation is provided on straight line method over the useful lives specified in Part 'C' of Schedule II of the Companies Act, 2013 ('the Act') read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, on the original cost/ acquisition cost of assets or other amounts substituted for cost.

**F. Impairment of fixed assets:**

The Company assesses at each Balance Sheet date whether there is any indication that an asset/cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset/cash generating unit. If such recoverable amount of the asset or the recoverable amount of the cash generating unit is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognized for an asset/cash generating unit in prior accounting periods may no longer exist or may have decreased. If any such indication exist, the asset's/cash generating unit's recoverable amount is estimated. The carrying amount of the fixed asset/cash generating is increased to the revised estimate of its recoverable amount but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in previous periods. A reversal of impairment loss is recognized in the Statement of Profit and Loss.

**G. Leases:**

*Operating leases*

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

**H. Investments:**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/non-current classification scheme of Schedule III.

Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

**I. Income tax**

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



**Jubilant First Trust Healthcare Limited**  
**Notes to the financial statements for the year ended 31 March 2016**

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*Current tax*

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

*Deferred tax*

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

*Minimum Alternate Tax (MAT)*

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

**J. 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.

**K. Employee benefits**

- (i) **Short-term employee benefits:** All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognized as expenses in the period in which the employee renders the related service and measured accordingly.
- (ii) **Post-employment benefits:** Post employment benefit plans are classified into defined contribution plans and defined benefit plans in line with the requirements of AS 15 on "Employee Benefits".





**Jubilant First Trust Healthcare Limited**  
**Notes to the financial statements for the year ended 31 March 2016**

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**a. Gratuity**

Gratuity which are defined benefits are recognised in the Statement of Profit and Loss based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial gains and losses arising from the experience adjustment and change in actuarial assumption are immediately recognised in the Statement of Profit and Loss as income or expense. The gratuity liability for certain employees of two of the units of the Company is funded with Life Insurance Corporation of India.

**b. Provident fund**

i) The Company makes contribution to the Regional Provident Fund Commissioner. This is treated as defined contribution plan. Company's contribution to the Provident Fund is charged to Statement of Profit and Loss.

**(iii) Other long term employee benefits:**

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

The Company's liability in respect of other long term employee benefits is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

**(iv) Termination benefits:**

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

**L. Borrowing costs**

Borrowing costs are recognised in the Statement of Profit and Loss in the period in which it is incurred, except where the cost is incurred for acquisition, construction, production or development of an asset that takes a substantial period of time to get ready for its intended use in which case it is capitalised up to the date the assets are ready for their intended use. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

**M. Revenue recognition**

Revenue from rendering of medical services (healthcare services) is recognized upon completion/performance of such services to the customers.

Revenue from sale of pharmacy is recognized when the significant risks and rewards of ownership of the products have been transferred to the buyer, recovery of the consideration is reasonably assured probable and the amount of revenue can be measured reliably.

*Interest Income*

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



**Jubilant First Trust Healthcare Limited**  
**Notes to the financial statements for the year ended 31 March 2016**

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**N. Earnings per share**

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



**Jubilant First Trust Healthcare Limited**

**Notes to the financial statements for the year ended 31 March 2016**

(Rs. '000)

|   | As at 31 March 2016 | As at 31 March 2015 |
|---|---------------------|---------------------|
| <b>2. SHARE CAPITAL.</b>  |                     |                     |
| <b>Authorized</b>   |                     |                     |
| 16,000,000 equity shares of Rs. 10 each<br>(Previous year 16,000,000 equity shares of Rs. 10 each)                                | 160,000             | 160,000             |
|   | <b>160,000</b>      | <b>160,000</b>      |
| <b>Issued, Subscribed and Paid up</b>   |                     |                     |
| 2,050,000 equity shares of Rs. 10/- each fully paid up<br>(Previous year 15,613,171 equity shares of Rs. 10/- each fully paid up) | 20,500              | 156,132             |
|   | <b>20,500</b>       | <b>156,132</b>      |

**Rights, preferences and restrictions attached to equity shares:**

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

**c) The reconciliation of the number of shares outstanding is set out below:**

| Particulars   | As at<br>31 March 2016 | As at<br>31 March 2015 |
|---|------------------------|------------------------|
| As at the commencement of the year  | 15,613,171             | 15,613,171             |
| Adjustments on account of Scheme of amalgamation, compromise and arrangement: |                        |                        |
| Add: Share issued during the year (refer note 16)                             | 650,000                | -                      |
| Less: Shares cancelled during the year (refer note 16)                        | (650,000)              | -                      |
| Less: Shares reduced on capital reduction (refer note 24)                     | (13,563,171)           | -                      |
| <b>As at the end of the year</b>  | <b>2,050,000</b>       | <b>15,613,171</b>      |

**d) Number of shares held by holding company/ultimate holding company and/or their subsidiaries/associates:**

| Particulars  | As at 31 March 2016 | As at 31 March 2015 |
|--|---------------------|---------------------|
| <b>Equity shares</b>   |                     |                     |
| Jubilant Life Sciences Limited, the holding and ultimate holding company | 2,050,000           | 14,963,171          |
| First Trust Medicare Private Limited (refer note 19)                     | -                   | 650,000             |
|  | <b>2,050,000</b>    | <b>15,613,171</b>   |

**e) The details of shareholders holding more than 5% shares in the Company:**

| Name of the shareholder   | As at 31 March 2016 | As at 31 March 2015 |
|---|---------------------|---------------------|
|   | % held              | % held              |
| <b>Equity shares</b>  |                     |                     |
| Jubilant Life Sciences Limited, the holding and ultimate holding company<br>(2,050,000 shares (previous year 14,963,171 shares))<br>(including 49 shares (previous year 7 shares) held by Jubilant Life Sciences Limited jointly with 11 different individuals (previous year 7 different individuals)) | 100.00%             | 95.84%              |
| First Trust Medicare Private Limited (refer note 19)<br>(Nil (previous year 650,000 shares))  | -                   | 4.16%               |



**Jubilant First Trust Healthcare Limited**

**Notes to the financial statements for the year ended 31 March 2016**

(Rs. '000)

|  | As at 31 March 2016 | As at 31 March 2015 |
|--|---------------------|---------------------|
| <b>3. RESERVES AND SURPLUS</b>   |                     |                     |
| <b>Securities premium account</b>  |                     |                     |
| As at the commencement of the year   | 540,919             | 540,919             |
| Adjustments on account of Scheme of amalgamation, compromise and arrangement (refer note 24) | (540,492)           | -                   |
| <b>As at the end of the year</b>   | <b>427</b>          | <b>540,919</b>      |
| <b>Surplus / (deficit) in the Statement of Profit and Loss</b>                               |                     |                     |
| As at the commencement of the year   | 40,980              | (11,495)            |
| Add: Profit for the year   | 13,001              | 52,475              |
| Less: Loss on account of Scheme of amalgamation, compromise and arrangement (refer note 16)  | (228)               | -                   |
|  | 53,753              | 40,980              |
| Less: Appropriations   |                     |                     |
| Tax On Distributed Profit  | (7,558)             | -                   |
| <b>As at the end of the year</b>   | <b>46,195</b>       | <b>40,980</b>       |
| <b>Total reserves and surplus</b>  | <b>46,622</b>       | <b>581,899</b>      |



**Jubilant First Trust Healthcare Limited**

Notes to the financial statements for the year ended 31 March 2016

(Rs. '000)

|   | As at 31 March 2016 | As at 31 March 2015 |
|---|---------------------|---------------------|
| <b>4. TRADE PAYABLES</b>  |                     |                     |
| Total outstanding dues of micro enterprises and small enterprises (Refer note 20)                             | -                   | -                   |
| Total outstanding dues of creditors other than micro enterprises and small enterprises                        | 5,652               | 953                 |
|   | <b>5,652</b>        | <b>953</b>          |
| <b>5. OTHER CURRENT LIABILITIES</b>   |                     |                     |
| Creditors for capital supplies and services   | -                   | 49                  |
| Other payables  |                     |                     |
| - Statutory liabilities   | 15                  | 233                 |
|   | <b>15</b>           | <b>282</b>          |
| <b>6. SHORT-TERM PROVISIONS</b>   |                     |                     |
| Income tax (Net of advance tax Rs. 8,828 thousand (previous year Rs. 21,284 thousand))                        | 291                 | 2,480               |
| Other provisions  | -                   | 658                 |
|   | <b>291</b>          | <b>3,138</b>        |
| <b>8. LONG TERM LOANS AND ADVANCES</b>  |                     |                     |
| Unsecured, considered good  |                     |                     |
| Loans to related parties (refer note 18)  | 27,571              | 671,374             |
| Advance income tax (including TDS) (Net of provision Rs. 23,765 thousand (previous year Rs. 54,167 thousand)) | 5,887               | 3,667               |
|   | <b>33,458</b>       | <b>675,041</b>      |
| <b>9. OTHER NON-CURRENT ASSETS</b>  |                     |                     |
| Non-current bank balances   |                     |                     |
| - Margin money deposit *  | 250                 | 250                 |
| (* Pledged with banks for performance guarantee given to government authorities on behalf of the Company)     |                     |                     |
|   | <b>250</b>          | <b>250</b>          |



Jubilant First Trust Healthcare Limited  
Notes to the financial statements for the year ended 31 March 2016

7. TANGIBLE FIXED ASSETS

(Rs. '000)

| Description              | GROSS BLOCK - COST/BOOK VALUE |   |  | DEPRECIATION/AMORTISATION/IMPAIRMENT |                      |                                |  | NET BLOCK             |                        |                        |
|--------------------------|-------------------------------|---|--|--------------------------------------|----------------------|--------------------------------|--|-----------------------|------------------------|------------------------|
|                          | As At<br>1 April 2015         | Additions/<br>adjustments<br>during the<br>year | Deductions/<br>adjustments<br>during the<br>year | As At<br>31 March 2016               | Upto<br>1 April 2015 | Provided<br>during<br>the year | Deductions/<br>adjustments<br>during the<br>year | Upto<br>31 March 2016 | As at<br>31 March 2016 | As at<br>31 March 2015 |
| Tangible Assets:         |                               |   |  |                                      |                      |                                |  |                       |                        |                        |
| Land<br>(a) Freehold     | 36,547                        | -   | -  | 36,547                               | -                    | -                              | -  | -                     | 36,547                 | 36,547                 |
| <b>TOTAL</b>             | 36,547                        | -   | -  | 36,547                               | -                    | -                              | -  | -                     | 36,547                 | 36,547                 |
| Previous Year            | 36,547                        | -   | -  | 36,547                               | -                    | -                              | -  | -                     |                        |                        |
| Capital Work-In-Progress |                               |   |  |                                      |                      |                                |  |                       | 833                    | 833                    |
|                          |                               |   |  |                                      |                      |                                |  |                       | 37,380                 | 37,380                 |

Note :

(1) Titles to the land costing Rs. 20,038 thousand are not clear and the Company is taking appropriate steps in this respect.



**Jubilant First Trust Healthcare Limited**

**Notes to the financial statements for the year ended 31 March 2016**

(Rs. '000)

|  | As at 31 March 2016 | As at 31 March 2015 |
|--|---------------------|---------------------|
| <b>10. CASH AND BANK BALANCES</b>                        |                     |                     |
| Balances with banks:                                     |                     |                     |
| - On current accounts                                    | 1,302               | 349                 |
|  | <b>1,302</b>        | <b>349</b>          |
| <b>11. SHORT TERM LOANS AND ADVANCES</b>                 |                     |                     |
| Unsecured, considered good                               |                     |                     |
| Advance recoverable from related parties (Refer note 19) | 687                 | 29,376              |
| Prepaid expenses   | 1                   | 6                   |
|  | <b>688</b>          | <b>29,382</b>       |
| <b>12. OTHER CURRENT ASSETS</b>                          |                     |                     |
| Interest on fixed deposit accrued                        | 2                   | 2                   |
|  | <b>2</b>            | <b>2</b>            |



**Jubilant First Trust Healthcare Limited**

Notes to the financial statements for the year ended 31 March 2016

(Rs. '000)

|  | For the year ended<br>31 March 2016 | For the year ended<br>31 March 2015 |
|--|-------------------------------------|-------------------------------------|
| <b>13. OTHER INCOME</b>  |                                     |                                     |
| Interest income  | 30,724                              | 64,227                              |
| Other non-operating income *   | 198                                 | 6,693                               |
|  | <b>30,922</b>                       | <b>70,920</b>                       |
| <b>14. FINANCE COSTS</b>   |                                     |                                     |
| Interest expense<br>(Includes Rs. 238 thousand towards interest relating to income tax payments (previous year<br>Rs. 2,187 thousand)) | 243                                 | 2,203                               |
|  | <b>243</b>                          | <b>2,203</b>                        |
| <b>15. OTHER EXPENSES</b>  |                                     |                                     |
| Rent (refer note 17)   | -                                   | 506                                 |
| Rates and taxes  | 29                                  | 16                                  |
| Advertisement, publicity and sales promotion   | 178                                 | -                                   |
| Travelling and other incidental expenses   | 300                                 | 46                                  |
| Facility and building maintenance  | 1,266                               | 1,332                               |
| Auditors remuneration - For statutory audit  | 116                                 | 112                                 |
| - For tax audit  | 57                                  | 56                                  |
| - For certification  | 172                                 | -                                   |
| Legal, professional and consultancy charges  | 1,800                               | 830                                 |
| Bank charges   | 2                                   | 1                                   |
| Other expenses   | 4,878                               | -                                   |
|  | <b>8,798</b>                        | <b>2,899</b>                        |

\* Includes excess provision written back Rs. 192 thousand (previous year Rs. 6,670 thousand)





**Jubilant First Trust Healthcare Limited**  
**Notes to the financial statements for the year ended 31 March 2016**

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**16. Scheme of amalgamation, compromise and arrangements**

The Board at its meeting held on 25 March 2015 approved the Scheme between the Company and its fellow subsidiary First Trust Medicare Private Limited ("FTMPL"). The Scheme envisages merger of FTMPL into the Company with effect from an appointed date of 1 April 2014. The Scheme has been sanctioned by the Honorable High Court of Allahabad, at Uttar Pradesh vide order dated 17 August 2015. The Scheme has become effective on 4 September 2015 on filing with Registrar of Companies. As per the provisions of the Scheme, all the assets and liabilities of FTMPL were transferred to and vested in the Company with effect from the appointed date, i.e. 1 April 2014. As per the Scheme, 6.5 Equity Shares of Rs.10 each, credited as fully paid up, in the Company for every 1 Equity Shares of Rs.10 each fully paid up held in FTMPL.

Further, as per the provisions of the Scheme, on the merger being effective:

- a) all assets of FTMPL, both movable and immovable stand vested in the Company, without any further act, instrument or deed;
- b) all debts, liabilities, contingent liabilities, duties and obligations of FTMPL, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Company;
- c) all agreements, rights; contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, and all other approvals of every kind, nature and description whatsoever relating FTMPL shall be in full force and effect on, against or in favour of the Company;
- d) the authorized share capital of the FTMPL aggregating to 100,000 Equity Shares of the nominal value of Rs.10 each at par has been merged with the authorized share capital of the Company;
- e) the Company shall record the assets and liabilities of FTMPL vested in it pursuant to this Scheme, at the respective, book values as appearing in the books of the FTMPL;
- f) the Company shall issue and allot its equity shares to the shareholders of the FTMPL and credit the face value of such equity shares to its share capital account;
- g) any inter-company balances, investments, guarantees, etc. between the Company and FTMPL shall stand cancelled;
- h) The difference, being the excess of the book value of the assets over book value of liabilities of FTMPL recorded by the Company in its books of account under clause (e) above as reduced by the face value of shares issued by the Company under clause (f) above, after taking into account (g) above, shall be adjusted in the accumulated profits/ losses of the Company.



**Jubilant First Trust Healthcare Limited**  
**Notes to the financial statements for the year ended 31 March 2016**

The summary of assets and liabilities of FTMPL as at 1 April 2015, taken over and incorporated in the financial statements of the Company pursuant to the Scheme, is as under:

|   |              | (Rs. '000) |
|---|--------------|------------|
| Particulars                                       | Amount       |            |
| <b>Assets</b>                                     |              |            |
| Non-current investments                           | 6,533        |            |
| Cash and bank balances                            | 9            |            |
| Trade payables                                    | (237)        |            |
| <b>Net Assets</b>                                 | <b>6,305</b> |            |
|   |              |            |
| <b>Less: Shares issued pursuant to the Scheme</b> | <b>6,500</b> |            |
| <b>Less: Loss on cancellation of investment</b>   |              |            |
| Investments                                       | 6,533        |            |
| Share capital                                     | 6,500        | 33         |
|   |              |            |
| <b>Accumulated loss pursuant to merger</b>        | <b>228</b>   |            |

**17. Leases**

**Operating Lease:**

The Company had cancellable operating lease arrangement in respect of its official premises in the previous year. This leasing arrangement was renewable by mutual agreeable terms. The aggregate lease rentals paid are charged as expenses and the total amount for the previous year was 506 thousand.

**18. Loan to Holding Company pursuant to information required to be disclosed under section 186(4) of the Companies Act, 2013**

|   |   | (Rs. '000)          |                     |
|---|---|---------------------|---------------------|
| Name of Holding Company/ Particulars of disclosure (Unsecured Loan) | Purpose/Term of Loan                        | As at 31 March 2016 | As at 31 March 2015 |
| <b>Jubilant Life Sciences Limited</b>                               |   |                     |                     |
| Loan outstanding as at the beginning of the year                    | General corporate purpose and interest rate | 671,374             | 658,400             |
| Loan given during the year  |   | 40,500              | 33,100              |
| Loan repaid during the year   |   | 684,303             | 20,126              |
| Loan outstanding as at the end of the year                          | 9.50%                                       | 27,571              | 671,374             |

**19. Related Party Information / Transactions**

**Holding and ultimate holding company:**

Jubilant Life Sciences Limited

**Fellow subsidiary company**

First Trust Medicare Private Limited (merged with the Company on 4 September 2015 w.e.f 1 April 2014)



**Jubilant First Trust Healthcare Limited**  
**Notes to the financial statements for the year ended 31 March 2016**

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

**Holding Company**

| Jubilant Life Sciences Limited   | (Rs.'000)                           |                                     |
|--|-------------------------------------|-------------------------------------|
|  | For the year ended<br>31 March 2016 | For the year ended<br>31 March 2015 |
| Loan given to holding company  | 40,500                              | 33,100                              |
| Interest on loan from holding company  | 30,701                              | 64,094                              |
| Loan repaid by holding company   | 684,303                             | 20,126                              |
| Share capital issued during the year (refer note 16)   | 6,500                               | -                                   |
| Share capital (including security premium) cancelled on account of capital reduction (refer note 24) | 676,124                             |                                     |

**Balance outstanding as at the end of the year**

| Particulars        | (Rs.'000)                           |                                     |
|--------------------|-------------------------------------|-------------------------------------|
|                    | For the year ended<br>31 March 2016 | For the year ended<br>31 March 2015 |
| Balance receivable | 28,257                              | 700,523                             |

**Fellow Subsidiary Company**

| First Trust Medicare Private Limited                     | (Rs.'000)                           |                                     |
|--|-------------------------------------|-------------------------------------|
|  | For the year ended<br>31 March 2016 | For the year ended<br>31 March 2015 |
| Expenses incurred on behalf of fellow subsidiary company | -                                   | 53                                  |
| Closing balance receivable                               | -                                   | 226                                 |

20. 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 2016. 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.

21. **Deferred tax assets and liabilities are attributable to the following items:**

|  | (Rs. in '000)          |                        |
|--|------------------------|------------------------|
|  | As at 31 March<br>2016 | As at 31 March<br>2015 |
| <b>Deferred tax assets</b>   |                        |                        |
| Accumulated losses as per tax laws   | 71,692                 | 71,009                 |
|  | <b>71,692</b>          | <b>71,009</b>          |
| <b>Deferred tax liabilities</b>  |                        |                        |
| Depreciation and amortization  | -                      | 11,602                 |
|  | -                      | <b>11,602</b>          |
| Less: Deferred tax asset (net) not recognized in absence of virtual certainty of realization | 71,692                 | 59,407                 |
| <b>Deferred tax assets (Net)</b>   | -                      | -                      |



**Jubilant First Trust Healthcare Limited**  
**Notes to the financial statements for the year ended 31 March 2016**

22. As per the Accounting Standard (AS) 20 on "Earnings Per Share" (EPS) issued by the Institute of Chartered Accountants of India, the particulars of EPS for equity shareholders are as below:

| Earnings Per Share :                               | (Rs.' 000)                          |                                     |
|--|-------------------------------------|-------------------------------------|
|  | For the year ended<br>31 March 2016 | For the year ended<br>31 March 2015 |
| Profit available to equity shareholders            | 13,001                              | 52,475                              |
| Weighted average number of equity shares           | 7,831,024                           | 15,613,171                          |
| Basic and diluted earnings per share (in rupees) * | 1.66                                | 3.36                                |

\* After considering exceptional items

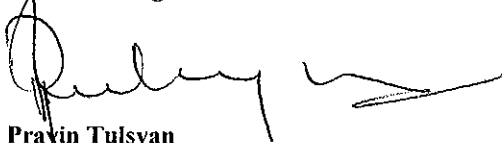
**23. Segment Information**

Based on the guiding principles given in the Accounting Standard (AS) 17 on "Segment Reporting" the Company was primarily involved in Healthcare services, which was considered as only business segment. After the sale of hospital the disclosure requirements of the said AS-17 in this regard are not applicable.

24. The Board at its meeting held on 25 March 2015 approved the Scheme for capital reduction between the Company and its shareholders. The Scheme of capital reduction envisages capital reduction of paid up equity share capital by Rs.135,631,710 from 1 March 2015. Pursuant to this capital reduction, the equity share capital and securities premium of the Company amounting to Rs.676,124,074 would be cancelled in the manner specified below:
- Equity share capital amounting to Rs. 135,631,710 (i.e. 13,563,171 equity shares of face value of Rs.10 each) held by Jubilant Life Science Limited, would be cancelled along with the securities premium received on the cancelled shares amounting to Rs. 540,492,364 (at Rs.39.85 per share);
  - Cash amounting to Rs. 676,124,074 would be paid to Jubilant Life Science Limited on cancellation of 13,563,171 equity shares. The Scheme was filed with Hon'ble Allahabad High Court on 27 March 2015 and has been approved vide order dated 21 July 2015, effect of the same has been considered in the financial statements.
25. 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 No.: 101248W/W-100022




**Pravin Tulsyan**  
 Partner  
 Membership No.: 108044  
 Place: Noida  
 Date: 23 May 2016

For and on behalf of the Board of Directors of  
**Jubilant First Trust Healthcare Limited**



**Sanjay Gupta**  
 Director  
 DIN:00095510



**Aashti Bhartia**  
 Director  
 DIN:02840983